



شركة الإحداثيات العقارية م.ع.م
IHDATHIAT REALSTATE Co.Ltd

الإحداثيات العقارية
IHDATHIAT

To: Jordan Securities Commission
Amman Stock Exchange

السادة هيئة الأوراق المالية المحترمين
السادة بورصة عمان المحترمين

Date: 11/8/2021

التاريخ:- 2021/8/11

Subject: Semi- Annual Report as of June 30, 2021

الموضوع : التقرير نصف السنوي كما هو في 2021/06/30

Attached the company's Semi- Annual Report of
(Ihdathiat Real Estate CO) as of June 30, 2021 in
English.

مرفق طيه نسخة من التقرير نصف السنوي لشركة الاحداثيات
العقارية كما هو بتاريخ 2021/06/30 باللغة الانجليزية.

Kindly accept our highly appreciation and
respect

وتفضلوا بقبول فائق الاحترام،،،

Ihdathiat Real Estate CO

Ala'a Al Masri Nadeen Al Qutieshat
Chairman Vice chairman

شركة الإحداثيات العقارية
رئيس مجلس الإدارة نائب رئيس مجلس الإدارة
الاء المصري نادين القطيشات

- To Securities depository center

- نسخة السادة مركز إيداع الأوراق المالية

شركة الاحداثيات العقارية
المساهمة العامة المحدودة
عمان - الأردن

AL – IHDATHIAT REAL ESTATE COMPANY
PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)

30 JUNE 2021



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**REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF AL-IHDATHIAT REAL ESTATE COMPANY
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Al-Ihdathiat Real Estate Company - Public Shareholding Company (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2021, comprising of the interim condensed consolidated statement of financial position as at 30 June 2021 and the related interim condensed consolidated statements of profit or loss and comprehensive income, changes in equity and cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of Interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amman – Jordan
27 July 2021

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

| | Notes | 30 June 2021 JD (Unaudited) | 31 December 2020 JD (Audited) |
|--|-------|--------------------------------------|--|
| <u>ASSETS</u> | | | |
| Non-current assets - | | | |
| Properties under development | 3 | 3,297,080 | 3,298,734 |
| Financial assets at fair value through other comprehensive income | | 3,728 | 2,893 |
| | | <u>3,300,808</u> | <u>3,301,627</u> |
| Current assets - | | | |
| Other current assets | | 9,163 | 10,074 |
| Cash on hand and bank balances | | 834 | 739 |
| | | <u>9,997</u> | <u>10,813</u> |
| Total Assets | | <u>3,310,805</u> | <u>3,312,440</u> |
| <u>EQUITY AND LIABILITIES</u> | | | |
| Equity - | | | |
| Paid in capital | 1 | 4,486,627 | 4,486,627 |
| Share discount | | (589,659) | (589,659) |
| Statutory reserve | | 65,940 | 65,940 |
| Voluntary reserve | | 68,946 | 68,946 |
| Fair value reserve | | (2,608) | (3,443) |
| Accumulated losses | | (832,168) | (703,430) |
| Loss for the period | | (9,977) | (128,738) |
| Total Equity | | <u>3,187,101</u> | <u>3,196,243</u> |
| Liabilities - | | | |
| Current liabilities | | | |
| Due to related parties | 4 | 60,612 | 44,304 |
| Other current liabilities | | 63,092 | 71,893 |
| Total liabilities | | <u>123,704</u> | <u>116,197</u> |
| Total Equity and Liabilities | | <u>3,310,805</u> | <u>3,312,440</u> |

The attached notes from 1 to 8 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

| | For the Three Months ended 30 June | | For the Six Months ended 30 June | |
|--|---------------------------------------|-----------------|-------------------------------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | JD | JD | JD | JD |
| Interest income | - | - | - | 26 |
| Other revenues | 984 | 494 | 1,879 | 1,489 |
| Administrative expenses | (7,707) | (5,672) | (11,622) | (15,066) |
| Marketing expenses | (80) | - | (215) | (135) |
| Bank charges | (8) | - | (19) | (10) |
| Loss for the period | (6,811) | (5,178) | (9,977) | (13,696) |
| | <u>JD/ Fils</u> | <u>JD/ Fils</u> | <u>JD/ Fils</u> | <u>JD/ Fils</u> |
| Basic and diluted loss per share from the loss for the period | 5 <u>(0/0015)</u> | <u>(0/0012)</u> | <u>(0/002)</u> | <u>(0/003)</u> |

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

| | For the three months ended 30 June | | For the six months ended 30 June | |
|---|---------------------------------------|-----------------------|-------------------------------------|------------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | JD | JD | JD | JD |
| Loss for the period | <u>(6,811)</u> | <u>(5,178)</u> | <u>(9,977)</u> | <u>(13,696)</u> |
| Add: other comprehensive income items that will not be reclassified to profit or loss in subsequent periods after tax: | | | | |
| Change in fair value of financial assets at fair value through other comprehensive income | <u>919</u> | <u>(407)</u> | <u>835</u> | <u>(1,137)</u> |
| Other comprehensive income for the period after tax | <u>919</u> | <u>(407)</u> | <u>835</u> | <u>(1,137)</u> |
| Total comprehensive income for the period | <u><u>(5,892)</u></u> | <u><u>(5,585)</u></u> | <u><u>(9,142)</u></u> | <u><u>(14,833)</u></u> |

The attached notes from 1 to 8 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

| | Paid in capital | Share discount | Statutory reserve | Voluntary reserve | Fair value reserve | Loss for the period | Accumulated losses | Total |
|---|------------------|------------------|-------------------|-------------------|--------------------|---------------------|--------------------|------------------|
| | JD | JD | JD | JD | JD | JD | JD | JD |
| For the six months ended 30 June 2021- | | | | | | | | |
| Balance as at 1 January 2021 | 4,486,627 | (589,659) | 65,940 | 68,946 | (3,443) | - | (832,168) | 3,196,243 |
| Total comprehensive income for the period | - | - | - | - | 835 | (9,977) | - | (9,142) |
| Balance at 30 June 2021 | 4,486,627 | (589,659) | 65,940 | 68,946 | (2,608) | (9,977) | (832,168) | 3,187,101 |
| For the six months ended 30 June 2020- | | | | | | | | |
| Balance as at 1 January 2020 | 4,486,627 | (589,659) | 65,940 | 68,946 | (2,299) | - | (703,430) | 3,326,125 |
| Total comprehensive income for the period | - | - | - | - | (1,137) | (13,696) | - | (14,833) |
| Balance at 30 June 2020 | 4,486,627 | (589,659) | 65,940 | 68,946 | (3,436) | (13,696) | (703,430) | 3,311,292 |

The attached notes from 1 to 8 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

| | For the six months ended 30 June | |
|---|-------------------------------------|-----------------|
| | 2021 | 2020 |
| | JD | JD |
| <u>OPERATING ACTIVITIES</u> | | |
| Loss for the period | (9,977) | (13,696) |
| Adjustments - | | |
| Depreciation | 1,654 | 1,657 |
| Interest income | - | (26) |
| Working capital changes - | | |
| Due to related parties | 16,308 | 1,369 |
| Other current assets | 911 | (2,444) |
| Other current liabilities | (8,801) | 1,244 |
| Net cash flows from (used in) operating activities | 95 | (11,896) |
| <u>INVESTING ACTIVITY</u> | | |
| Interest income received | - | 26 |
| Net cash flows from investing activity | - | 26 |
| Net increase (decrease) in cash and cash equivalents | 95 | (11,870) |
| Cash and cash equivalents at 1 January | 739 | 13,324 |
| Cash and cash equivalents at period ended | 834 | 1,454 |

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021

(1) GENERAL

Al-Ihdathiat Real Estate Company - Public Shareholding Company incorporated on 18 September 2005 with an authorized capital of JD 3,000,000 divided into 3,000,000 shares at a par value of JD 1 each. The general assembly decided in its unordinary meeting held on 20 April 2015 to increase the capital from JD 3,000,000 to JD 4,070,627 as at 31 December 2015 through the issuance of 1,070,627 shares at par value of JD 1 and with an issuance discount of 400 Fils. The process of increase capital was completed on 20 August 2015. On April 12, 2017, the Securities Commission has approved the allocation of 416,000 shares from the Group's unquoted shares that amounted to 929,373 shares for Jordan Investment Trust Company, where Jordan Investment Trust Company paid an amount of JD 254,594 (0.612 JD per share) in cash so that the quoted and paid in capital becomes JD 4,486,627.

The principal activities of the Company are to perform property management and development, provide all associated services, the establishment of residential apartments, the purchase of lands and real estates, import and export, and what it takes to achieve the company's objectives as well as investing in securities for its own account.

The Group's financial statements are consolidated with the financial statements of Jordan Invest Company (The Parent Company).

The interim condensed consolidated financial statements were approved by the Group's Board of Directors in their meeting held on 18 July 2021.

The Company's offices are located in Jabal Amman, Amman - The Hashemite Kingdom of Jordan.

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION

The interim condensed consolidated financial statements as of 30 June 2021 are prepared in accordance with International Accounting Standard 34 (Interim Financial Reporting).

The interim condensed consolidated financial statements have been presented in Jordanian Dinar which is the functional currency of the Group.

The interim condensed consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income which have been measured of fair value of the date of the interim condensed consolidated financial statement.

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual financial statements as of 31 December 2020. In addition, results of the six-month period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

(2-2) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2020 except for the adoption of new standards effective as of 1 January 2021 shown below:

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021

(2-3) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the "Group") as at 30 June 2021. The subsidiaries that are included in the consolidated financial statements are as follows:

| Company's Name | Paid in capital | Nature of activity | Percentage of Ownership | | Company type |
|--------------------------------------|-----------------|------------------------|-------------------------|------------------|-------------------|
| | | | 30 June 2021 | 31 December 2020 | |
| Sail Hosban Real Estate Company | 1,000 | Real estate investment | 100% | 100% | Limited Liability |
| Hojrat Alshamaly Real Estate Company | 1,000 | Real estate investment | 100% | 100% | Limited Liability |
| Khorbat Saka Real Estate Company | 1,000 | Real estate investment | 100% | 100% | Limited Liability |

Control is achieved when the Group is exposed, or has rights, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

When the Group owns less than the majority of the voting rights or similar in the investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential rights.

The Group re-assesses whether or not it controls an investee and if facts or circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, Income and expenses of a subsidiary are consolidated from the date the Group gains control until the date the Group ceases to control the subsidiary.

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and profits and losses relating to transactions between members of the Groups are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the cumulative translation differences;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognized in other comprehensive income items to profit or loss.

(3) PROPERTIES UNDER DEVELOPMENT

The details of this item are as follows:

| | 30 June 2021 | 31 December 2020 |
|--|------------------|---------------------|
| | JD | JD |
| | (Unaudited) | (Audited) |
| Plots of land (lower of cost or net realizable value) | 1,230,176 | 1,230,176 |
| Residential units* (at cost) | 224,797 | 226,451 |
| Project under construction** (at cost) | 1,942,107 | 1,942,107 |
| Less: Provision for impairment of real estate investments* | (100,000) | (100,000) |
| | <u>3,297,080</u> | <u>3,298,734</u> |

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021

- * This item includes housing units with a carrying value of JD 161,932 that consist of three apartments with a total area of approximately 220 square meters, the promise of sale of these apartments was recorded on behalf of the Group on 30 November 2011 while the ownership of these apartments was not transferred to the Group till the date of the preparation of these interim condensed consolidated financial statements. During the year ended 31 December 2020, an impairment provision amounting to JD 100,000 had been booked against real estate investments.
- ** This project represents a building under construction in Jabal Amman. Operations on this project have been halted since the beginning of the pandemic which has led to a delay in the completion date. Management has not yet decided on the completion date of the project until the date of these interim condensed consolidated financial statements.

(4) RELATED PARTIES TRANSACTIONS

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties presented in the interim condensed consolidated statement of financial position are as follows:

| | 30 June 2021 | 31 December 2020 |
|---|-----------------|---------------------|
| | JD | JD |
| | (Unaudited) | (Audited) |
| Due to Related Parties | | |
| Al-Ta'awon Company for properties management (controlled by a major shareholder) * | 18,042 | 17,756 |
| Jordan Invest Company (The Parent Company) | 42,570 | 26,548 |
| | <u>60,612</u> | <u>44,304</u> |

*The Group rents its offices from Al-Ta'awon Company for Property Management.

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2021

Details of transactions with related parties appearing in the interim condensed consolidated statement of income are as follows:

| | For the six months ended 30 June | |
|--|-------------------------------------|-------------------|
| | 2021 | 2020 |
| | JD (Unaudited) | JD (Unaudited) |
| Rent Expense paid for Al-Ta'awon Company for Property Management (Controlled by a major shareholder) | 992 | 997 |

The Group has not paid salaries and bonuses to senior executives for the periods ended 30 June 2021 and 2020.

(5) BASIC AND DILUTED LOSS PER SHARE FROM THE LOSS FOR THE PERIOD

| | For the three months ended 30 June | | For the six months ended 30 June | |
|---|---------------------------------------|-----------------|-------------------------------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Weighted average number of shares (Share) | 4,486,627 | 4,486,627 | 4,486,627 | 4,486,627 |
| Loss for the period (JD) | (6,811) | (5,178) | (9,977) | (13,696) |
| | <u>JD/Fils</u> | <u>JD/Fils</u> | <u>JD/Fils</u> | <u>JD/Fils</u> |
| Basic and diluted loss per share from the loss for the period | <u>(0/0015)</u> | <u>(0/0012)</u> | <u>(0/002)</u> | <u>(0/003)</u> |

(6) INCOME TAX

No income tax provision was calculated for the periods ended 30 June 2021 and 2020 due to the excess of deductible expenses over the taxable income. The Company is subject to a statutory income tax rate of 20% in addition to a 1% National Contribution Tax in accordance with the new Income Tax Law No. (38) of 2018.

The Group reached a final settlement with the Income and Sales Tax Department up to the year 2018.

The Group filed its tax returns until the year 2020, however, the Income and Sales Tax Department has not yet reviewed the accounting records until the date of these interim condensed consolidated financial statements.

(7) CORONAVIRUS SPREAD (COVID – 19) AND ITS IMPACT ON THE COMPANY

The global economy has been affected by Coronavirus (COVID-19) which has consequently led to a significant disruption in various business sectors. This has in turn impacted the real estate investment sector, which has been affected by the suspension of business activities, including properties under development, in addition to the impact of the imposed quarantine, as well as other government procedures to combat the virus. Some of the Group's operational activities have been affected by current circumstances which have had a negative impact on the group's business results for the six months ended 30 June 2021 and 2020.

Projects under development

Operations on the Jabal Amman project were suspended at the start of the pandemic, which led to delaying the completion date of the project. Management has not yet decided on the completion date of the project until the date of these interim condensed consolidated financial statements.

(8) COMPARATIVE FIGURES

Some figures related to the interim condensed consolidated financial statements for the year 2020 were reclassified to correspond with those of 30 June 2021 presentation. The reclassification has had no effect on the loss and equity of the year 2020.