Arab Phoenix Holdings Company
Public Shareholding Company - (Holding Company)
And Its Subsidiaries (The Group)
Amman - Jordan

Condensed Consolidated Interim Financial Information
for The Three Months Ended March 31, 2021

Together with The Independent Auditor's Report
On the Review of
The Condensed Consolidated Interim Financial Information

Arab Phoenix Holdings Company
Public Shareholding Company – (Holding Company)
And It's Subsidiaries (The Group)
Amman-Jordan

For the Three Months Ended March 31, 2021

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Al-Tillawi & Al-Khateeb Co.
Certified Auditors
Al-Dakhliya Circle - Amman - Muslem Bin Al Waleed St.
Near Jordan Securities Commission JSC - Building #8
P.O. Box: 930260 Amman
11193, Jordan - Amman
Main +962 (6)566 5156
Fax +962 (6)566 5197

Independent Auditor's Report on the Review of the Condensed Consolidated Interim Financial Information

To the Chairman and members of Board of directors
Arab Phoenix Holdings Company
Public Shareholding Company – (Holding Company)
And its subsidiaries (the Group)
Amman -Jordan

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Arab Phoenix Holdings Company (Public Shareholding Company –Holding Company) and its subsidiaries "the Group"** as at March 31, 2021 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three months period then ended. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

Except for what is described in the below basis for qualified conclusion paragraphs, 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 condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

1. Trade receivables and other debit balances, trade payables and other credit balances and advance payments received against sales in the consolidated interim financial information as of March 31, 2021 includes balances with an approximate amount of JOD 278 thousand, JOD 1,45 Million, and JOD 457 Thousand, respectively. We were unable to obtain sufficient and appropriate audit evidences to verify the validity and classification of these referred items and the recoverability of trade receivables and other debit balances, knowing that the Group's management have been informed us that there is no sufficient information available in relation to these balances up to date. However, the management is in the process to secure this information. Therefore, we were unable to determine whether any adjustments were necessary to the accompanying condensed consolidated interim financial information.
2. The company's management has not recorded the necessary provisions in accordance with IAS (37) "Provisions, contingent liabilities and contingent assets" against stamp fees and related delay fines amounted to JOD 830 thousand for the period ended March 31, 2021 which resulted from a claim raised by the Ministry of Finance against one of the group's subsidiaries (Tameer for Investments) regarding these stamp fees and related delay fines in relation to the partnership agreement signed between the company and Housing and Urban Development Corporation HUDC on February14, 2008 for the construction of integrated services residential city in Giza Area (Ahl Al-Azem Project) as the subject matter still under study and follow-up with relevant parties. In case the Group's management recorded this provision, the opening balance of accumulated losses and stamp fees provision and its related fines included in the other credit balances.
3. The agreements signed between Red Sea Resort for Real Estate Development Company (Subsidiary Company) and Aqaba Special Economic Zone Authority related to the construction of the Red Sea Resort Project referred to note (7) includes penalty clauses which states that in the event the project is not completed on the dates specified under the agreement, the company must compensate the authority for the breakdown and damage penalties arising from this delay. The company was previously unable to complete the project on its specified dates, and obtained a written approval to extend the completion period of the project until March 2021. We were not provided with the expected value of fines or delay penalties during the previous delay period in respect of penalties clauses and fines, however the Group has obtained a written conditional approval to exempt the penalties subject to the Group ability to complete the project within the agreed time periods. Accordingly, we were unable to determine whether any adjustments were necessary to the current year and comparative year figures in the accompanying consolidated interim financial information.

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4. The accumulated losses balance as of March 31, 2021 includes a credit balance amounted to JOD 810,000 which represents accrued expenses reversed to the other income during the year ended December 31, 2017. This credit balance had been recorded in previous years under trade payables and other credit balances.
The previous auditor has been issued a qualified opinion for not being able to obtain sufficient and appropriate audit evidence about the accuracy of these amounts during previous years. Accordingly, we were unable to determine whether any adjustments were necessary to the accumulated losses opening balance in the accompanying condensed consolidated interim financial information.

Qualified Conclusion

Based on our review and except for the effects and the possible effects of what is mentioned in the basis for qualified conclusion paragraphs above, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information are not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

Emphasis paragraph

Without further qualifications in our conclusion, we would draw your attention to the following:

- As indicated in note no. (17) which states that there are restrictions over the Group's movable and immovable funds due to lawsuits raised against the Group by the local Jordanian Courts for the benefit of different parties, in addition to accumulated losses in the group and its subsidiaries and the deficit in the groups` working capital with approximate amount of JOD 6.2 million as described in the note referred above. These conditions, in addition to any expected effects of the Corona Virus Pandemic Outbreak (COVID-19) on the groups` activities and its financial position, indicate the existence of a material doubts there are substantial doubts about the group's ability to continue as a going concern According to international standards on auditing. Despite of the existence of the above-mentioned indicators for several years with different percentages and amounts, the group was able to continue its business. Our conclusion is not qualified regarding this matter, and the Group management has prepared a plan of action till 31 December 2021 to address these conditions. and to ensure the business continuity. Accordingly, these condensed consolidated interim financial information have been prepared on going concern basis.
- Housing and Urban Development Corporation HUDC has raised a lawsuit against the Group to prevent opposition to benefit of real estate, removing facilities and compensating expenses related to "Ahl Alazem Project" which its net value amounted to JOD 5.4 million as at March 31, 2021. However, and based on the group's lawyer consultation that management relied on, the agreement states that the group should be compensated for all executed works if the HUDC has decided to terminate the agreement except for any off-specifications works. Regarding the claim for the expenses of assessing the executed works till now, the required provision was recorded and regarding the cost of removing any off-specifications executed works the management has considered it as immaterial although the related impairment and provisions have been recognized based on the real estate's assessors. Accordingly, the management does not expect additional losses from what has been recognized in the condensed consolidated interim financial information so far. In the opinion of the group's management, the options presented are still under discussion with the concerned authorities, including the continuation of the project.
- Lands under exploitation and development, which represents lands owned by the group under agreements signed with Natural Resources Investment and Development Corporation (Mawared) not registered in the name of the groups` subsidiaries, as the completion of procedures for registering these lands in the name of the group depends mainly on the completion of the projects agreed under these agreements. Also note (7) lands under development and residential projects under construction, includes Ahl Al Azm Project which is constructed over lands not owned by the Group under the partnership agreement signed between one of the group's subsidiaries and the Public Housing and Urban Development corporation HUDC.

Other matters

- The accompanying condensed consolidated interim financial information are a translation of the condensed consolidated interim financial information in the Arabic language to which reference should be made.

Certified Auditors
Ibrahim Al-Khatib
License No (684)

شركة التلاوي والخطيب
Certified Auditors
Al-Tillawi & Al-Khateeb Co.

Amman–Jordan
26th April 2021

Arab Phoenix Holdings Company
(Public Shareholding Company-Holding Company)
and Its Subsidiaries (The Group)

Condensed Consolidated Interim Statement of Financial Position

	Note	As of March 31, 2021 (Reviewed not audited)	December 31, 2020 (Audited)
		JD	JD
Assets			
Non-Current - assets			
Investments property	6	8,648,464	8,648,464
Lands under development and residential projects under construction	7	41,576,022	41,883,355
Lands under exploitation and development		3,445,694	3,445,694
Lands inventory		9,585,192	9,585,192
Property and equipment	8	6,770	7,400
Investment in associate company	9	29,122	29,153
Financial assets at fair value through other comprehensive income		1,548	1,548
Total Non-current assets		**63,292,812**	**63,600,806**
Current assets			
Villas inventory available for sale	10	4,058,961	4,587,246
Construction materials inventory	11	2,735,232	2,739,171
Trade receivables and other debit balances	12	1,917,523	2,083,378
Checks under collection-due within less than a year		77,124	68,784
Cash and cash equivalents		46,853	49,390
		8,835,693	**9,527,969**
Held for sale assets		154,668	154,668
Total current assets		**8,990,361**	**9,682,637**
Total Assets		**72,283,173**	**73,283,443**
Liabilities and shareholders' equity			
Shareholders' equity			
Paid up Capital		86,840,292	86,840,292
Fair value reserve		(286,519)	(286,519)
Excess of purchase cost over the book value of the owned shares in subsidiary		183,444	183,444
Accumulated losses		(40,571,136)	(40,146,206)
Net shareholders' equity		**46,166,081**	**46,591,011**
Non-current liabilities			
Advance payments received against sales - long term		10,878,893	11,160,434
Total non-current liabilities		**10,878,893**	**11,160,434**
Current liabilities			
Advance payments received against sales - short term		3,540,560	4,041,870
Trade payables and other credit balances		7,288,965	7,331,923
Income tax provision	14	961,596	935,563
Lawsuits provision	15	3,447,078	3,222,642
Total current liabilities		**15,238,199**	**15,531,998**
Total liabilities		**26,117,092**	**26,692,432**
Total liabilities and shareholders ' equity		**72,283,173**	**73,283,443**

The accompanying notes on page from (7) to page (19) are an integral part of these condensed consolidated interim financial information.

The accompanying condensed consolidated interim financial information were approved by the board of directors on 26th April 2021.

Arab Phoenix Holdings Company
(Public Shareholding Company -Holding Company)
and Its Subsidiaries (The Group)

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

		For the three months ended on March 31,	
	Note	2021 (Reviewed not audited)	2020 (Reviewed not audited)
		JD	JD
Sales of villas		993,326	2,806,975
Cost of sales villas		(922,409)	(2,687,875)
Net profit from selling villas		**70,917**	**119,100**
Gain from sale of land's inventory		-	35,331
Administrative expenses		(216,896)	(227,814)
Company's share from associate company operating results	13-A	(31)	(3,249)
Provision of tax fines	14	(21,189)	(3,577)
Lawsuits provision expenses	15	(243,922)	(112,838)
Other (expenses) revenue		(1,687)	21,793
Loss for the period before income tax		**(412,808)**	**(171,254)**
Income tax expense for the period	14	(12,006)	(21,208)
National contribution expense for the period	14	(116)	(774)
Total Loss for the period		**(424,930)**	**(193,236)**
Other comprehensive income items that will never be reclassified to profit or loss statement.		-	-
Total comprehensive loss for the period		**(424,930)**	**(193,236)**
Basic and diluted loss per share for the period		**(0,0049)**	**(0,0022)**

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The accompanying condensed consolidated interim financial information were approved by the board of directors on 26th April 2021.

Arab Phoenix Holdings Company
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Condensed Consolidated Interim Statement of Changes in Shareholders' Equity

	Paid up capital	Fair value reserve	Excess of purchase cost over the book value of the owned shares in subsidiary*	Accumulated losses	Net Shareholders' Equity
	JD	JD	JD	JD	JD
Changes for the three months ended March 31, 2021 (Reviewed not audited)					
Balance as at January 1, 2021	86,840,292	(286,519)	183,444	(40,146,206)	46,591,011
Losses for the period	-	-	-	(424,930)	(424,930)
Balance as of March 31,2021	**86,840,292**	**(286,519)**	**183,444**	**(40,571,136)**	**46,166,081**
Changes for the three months ended March 31, 2020 (Reviewed not audited)					
Balance as at January 1, 2020	86,840,292	(286,519)	183,444	(36,662,644)	50,074,573
Losses for the period	-	-	-	(193,236)	(193,236)
Balance as of March 31, 2020	**86,840,292**	**(286,519)**	**183,444**	**(36,855,880)**	**49,881,337**

According to the Jordanian Securities Commission instructions the negative value of the cumulative change in fair value included in the retained earnings is prohibited from distribution to shareholders.

*This item resulted from the group acquisition of the remaining 49% shares in Tanfeeth for Construction Company (accordingly becoming fully owned subsidiary) during the year 2015.

The accompanying notes on page from (7) to page (19) are an integral part of these condensed consolidated interim financial information.
The accompanying condensed consolidated interim financial information were approved by the board of directors on 26th April 2021

Arab Phoenix Holdings Company
(Public Shareholding Company -Holding Company) and Its Subsidiaries (The Group)

Condensed Consolidated Interim Statement of Cash Flow

	Note	For the Three Months Ended March 31, 2021 (Reviewed not audited) JD	2020 (Reviewed not audited) JD
Cash flows from operating activities			
Loss for the period		(412,808)	(171,254)
Adjustments:-			
Depreciation	8	630	1,420
Gain from sale of Villas		(70,917)	(119,100)
Gain from sale of Lands inventory	9	-	(35,331)
Company's share from associate company operating results	15	31	3,249
(Provision) reversal of tax fines		21,189	3,577
Lawsuits provision expenses		243,922	112,838
		(217,953)	**(204,601)**
changes in:			
Construction materials inventory		3,939	12,260
Trade receivables and other debit balances		165,855	34,127
Trade payables and other credit balances		(105,348)	(96,718)
Checks under collection		(8,340)	19,272
Advance payments received against sales		1,000	-
Lands under development and projects under construction		(52,540)	(66,237)
Villas inventory available for sale		(1,350)	-
Proceeds from sale of Villas inventory available for sale		219,478	358,979
Cash flows from (used in) the operating activities		**4,741**	**57,082**
Income tax paid	14	(7,278)	(44,489)
Lawsuits provision paid	15	-	(19,905)
Net Cash flows used in the operating activities		**(2,537)**	**(7,312)**
Cash flows from investing activities			
Purchase of property and equipment	8	-	(58)
Net cash flows from investing activities		**-**	**(58)**
Net change in cash and cash equivalents		(2,537)	(7,370)
Cash and cash equivalents at the beginning of the period		49,390	51,562
Cash and cash equivalents at the end of the period		**46,853**	**44,192**
Non cash transaction			
Transferring lands under development to villas inventory		359,873	811,617
Transfer the ownership of villas and lands inventory against lawsuits, advance payments and creditors		1,022,812	2,756,366

The accompanying notes on page from (7) to page (19) are an integral part of these condensed consolidated interim financial information.
The accompanying condensed consolidated interim financial information were approved by the board of directors on 26th April 2021

1) General

Arab Phoenix Holdings Company (Previously Taameer Jordan Holdings) public shareholding company "The Company" was established and registered in the ministry of industry and trade of Jordan under no. (378) on December 19, 2005. The authorized paid up capital amounted 212 million shares (1JOD /share) and paid up capital amounted to JOD 211,982,573 as of December 31, 2014.

The General Assembly decided in its extraordinary meeting held on April 30, 2007 to change the company's legal status to become Taameer Jordan Holdings public shareholding company (holding company).

The general assembly decided in its extraordinary meeting held on April 18, 2015 to decrease the company's capital through amortizing the accumulated losses amounted to JOD 125,142,281 as of December 31, 2014 from its paid up capital 211,982,573 JOD/Share, accordingly paid up capital after decrease is now amounted to 86,840,292 JOD/Shares, The Company completed the capital decrease procedures in the ministry of industry and trade of Jordan during 2015.

The general assembly decided in its extraordinary meeting held on April 12, 2017 to change the Company's name, the board of directors completed the related procedures at the Companies Control Department to change the Company's name to be (Arab Phoenix Holdings Company) previously Taameer Jordan Holdings.

The condensed consolidated interim financial information was approved by the Board of Directors on its meeting held on 26th April 2021.

- The main objectives of the Company are:

- Trademarks and public agencies.
- Entering into investment contracts and partnership.
- Patents Agents.
- Ownership of movable and immovable funds, for achieving the company's objectives.
- Representation of local and foreign companies.
- Rental of movable and immovable funds, for achieving the company's objectives. Contracting with any party to achieve the company's objectives.
- Pursuit all businesses.
- Borrowing the required funds from banks.
- Properties finance leasing.

- The main address of the company is - Um Uthaina - The Hashemite Kingdom of Jordan

2) Basis of Preparation of Condensed Consolidated Interim Financial Information

(a) Statement of compliance

- The condensed consolidated interim financial information for the three months ended on March 31, 2021 have been prepared in accordance with IAS 34 "Interim Financial Reporting".
- This condensed consolidated interim financial information should be read with the consolidated financial statements for the year ended December 31, 2020. As well as the financial performance for the condensed consolidated interim financial period ended March 31, 2021 does not necessarily give an indication for the expected financial performance for the period that will be ending on March 31, 2021.
- The considerations of measurement and recognition were applied in the condensed interim financial information as of December 31, 2020, moreover, the Company did not have transactions effected by seasonality events during the year.

(b) Basis of condensed consolidated interim financial information consolidation

The condensed consolidated interim financial information comprises the condensed consolidated interim financial information of Arab phoenix Holdings (Taameer Jordan Holding Previously) (the parent company) and its subsidiaries, which are subject to its control. Subsidiaries are entities controlled by the Group. the Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial information of the subsidiaries are included in the consolidated financial information from the date on which controls commences until the date on which control ceases.

The Group owns the following subsidiaries and associate as of March 31, 2021:

	Authorized Capital	Paid up capital	Ownership	Nature of Operation	Country of operation
	JD	JD			
Al- Andalusia company for Tourist Resorts and Housing projects	6,000,000	6,000,000	%100	Construction, management and ownership of hotels and resorts, buying lands and construction of projects activities.	Amman-Jordan
Al- Qabas real estate development Company	2,000,000	2,000,000	%100	Purchase and development of lands, construction of housing projects for re-sale and rent activities.	Amman-Jordan
Tiraz for Construction	200,000	100,000	%100	Implementation all Arab Phoenix Holding company projects and manage the construction of these projects.	Amman-Jordan
Al Madariyoun Concrete Industries.	200,000	100,000	%100	Preparation and processing of concrete molds and prefabricated concrete industries.	Amman-Jordan
Al Madariyoun Fabrication Industries	30,000	15,000	%100	Manufacturing and forming a timber to manufacture doors and furniture, and manufacturing and pulling aluminum and plastic windows.	Amman-Jordan
Taameer for investment	30,000	15,000	%100	Construction of housing projects of all types, construction, management and ownership of hotels and resorts.	Amman-Jordan
Al- Rawabet for real estate development	30,000	15,000	%100	Construction of trading complexes and renting, buying and selling of real estates and lands.	Amman-Jordan
Red Sea Resort for real estate Development	30,000	15,000	%100	Construction of housing projects and trading complexes ,buying and selling of real estates and lands after development, Construction, management and ownership of hotels and resorts.	Amman-Jordan
Tanfeeth for construction	300,000	300,000	%100	Implementation of construction contract and specializing in Electro mechanic business.	Amman-Jordan
Al Jamal Al-Arabi for real estate development company	1,194,460	1,194,460	%100	Buying and splitting real estate and land with the intention of selling it.	Amman-Jordan
Jordanian Qabas for real estate development company	2,043,946	2,043,946	%100	Buying and splitting real estate and land with the intention of selling it.	Amman-Jordan
Al Maha Land Investment & real estate development company	394,916	394,916	%100	Buying and splitting real estate and land with the intention of selling it.	Amman-Jordan
Al Maha Real Estate Investment Company (Associate Company)	12,000,000	12,000,000	%33.33	Real estate development.	Amman-Jordan

*There is a restriction on the parent company's shares in its subsidiaries against litigations raised against the group as of March 31, 2021 and December 31, 2020.

The following table represents the financial position and financial performance of the subsidiaries as of and for the period ended March 31, 2021:

	Total Assets	Total Liabilities	Total Revenue	Profit (Loss) for the period
	JD	JD	JD	JD
Al-Andalusia Company for Tourist Resorts and housing projects	26,848,953	6,765,973	-	(38,873)
Al- Qabas real estate development company	23,468,726	19,988,395	268,500	(72,628)
Al Tiraz for Construction	3,606,126	195,521	-	(3,147)
Al Madariyoun Concrete Industries	6,408,146	7,828,154	-	(66,172)
Al Madariyoun Fabrication Industries	2,653,535	3,119,270	-	(7,436)
Taameer for investment	5,432,822	6,081,097	-	(16,017)
Al- Rawabet for real estate development	-	30,816	-	(295)
Red Sea Resort for real estate Development	21,222,569	19,203,146	724,826	172,532
Tanfeeth for construction	5	291,609	-	(3,603)
Al Jamal Al-Arabi for real estate development company	1,136,520	909	-	(228)
Jordanian Qabas for real estate development company	1,944,800	859	-	(178)
Al Maha Land Investment & real estate development company	364,373	919	-	(228)

The results of the subsidiary are consolidated in the consolidated statement of profit or loss and other comprehensive income at the date of acquisition, which is the date that actual control is obtained over the subsidiary.

The parent company controls subsidiaries when it is exposed, or has rights, to variable returns from it's involvement with these subsidiaries and has the ability to affect those returns through its power over these subsidiaries.

Thus, the principle of control sets out the following three elements of control:

1- Power over the investee.
2- Exposure, or rights, to variable returns from its involvement with the investee; and
3- The ability to use power over the investee to affect the amount of the investor's returns.

The parent company should reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

Any gain on bargain purchases is recognized in statement of profit or loss and other comprehensive income immediately. Transactions costs are expensed as incurred, except if related to the issue of debt or securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally recognized in consolidated statement of profit or loss and other comprehensive income.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in consolidated statement of profit or loss and other comprehensive income.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. This means that no gain or loss from these changes should be recognized in profit or loss. It also means that no change in the carrying amounts of the subsidiary's assets (including goodwill) or liabilities should be recognized as a result of such transactions

On loss of control, the parent-subsidiary relationship ceases to exist. The parent no longer controls the subsidiary's individual assets and liabilities. Therefore, the parent company:

1- Derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position.

2- Recognizes any investment retained in the former subsidiary at its fair value when control is lost subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant IFRS.

3- Recognizes the gain or loss associated with the non-controlling interest.

Consolidated financial statements are prepared for the subsidiaries to the same financial year of the parent company and using the same accounting policies adopted by the parent company. If one of the subsidiary use accounting policies other than those adopted in the consolidated financial statements for similar transactions and events in similar circumstances, appropriate adjustments are made to that Group subsidiary's financial statements, in preparing the consolidated financial statements to ensure conformity with the International Financial Reporting Standards.

Non-controlling interest are measured at their proportionate share of the acquirer's identifiable net assets at the acquisition date.
Balances, transactions and unrealized profits and expenses resulted from transactions within the group are eliminated when preparing these consolidated financial statements.

(c) Use of estimates

These condensed consolidated interim financial information have been prepared in accordance with IAS 34, "interim financial reporting" which requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
In preparing this condensed consolidated interim financial information for the three months ended on March 31, 2021, significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2020.

3) Changes in significant Accounting Policies

The accounting policies adopted in the consolidated condensed interim financial statement are consistent with those adopted for the year ended December 31, 2020.

New standards and interpretations not adopted

- For annual reports beginning on or after 1 January 2020, the following are newly effective requirements (excluding amendments to IFRS 16; see effective dates below).
- Requirements for upcoming periods: This schedule includes the most recent amendments to IFRSs, which must be submitted for the annual period beginning after January 1, 2020 and available for early application for annual periods beginning on January 1, 2019.

New and effective amendments

Effective date	The New standards or amendments
January 1, 2020	International Accounting Standard No. (1) Presentation of Financial Statements and International Accounting Standard No. (8) Accounting Policies, Changes in Accounting Estimates and Errors (Disclosures Initiative-Definition of Material)
January 1, 2020	International Financial Reporting Standards No. (3) Business Combinations (amendment - Definition of A Business)
January 1, 2020	Conceptual framework for financial reporting.
January 1, 2020	Interest Rate and Its Impact on Financial Reports - Phase (1) Reform.
June 1, 2020	Covid 19 - Related Rental Concessions - Amendment to IFRS 16.

New standards, interpretations and amendments that have not yet become effective.

There are a number of standards and amendments to standards and interpretations issued by the International Accounting Standards Board that are considered in effect in future accounting periods that the company decided not to adopt early.
The following amendments are valid for the period beginning on January 1, 2022

Effective date	The New standards or amendments
January 1, 2022	International Accounting Standard No. (37) Cost of Fulfilling a Contract
January 1, 2022	International Accounting Standard No. (16) Property, Plant and Equipment — Proceeds before Intended Use
January 1, 2022	Annual improvements to international standards for the preparation of annual reports 2018-2020 (IFRS 1, IFRS 9), IFRS 16 and IAS 41.
January 1, 2022	International Standards for the Preparation of Annual Reports No. (3) to refer to the Conceptual Framework.

4) Financial Risk Management And Capital Management

The Group generally exposed to the financial risks of credit risk, liquidity risk, market risk and capital management risk. In general, the Group's financial risk management objectives and policies are similar to those disclosed in the consolidated financial statements and the Group's annual report for the year ended December 31, 2020.

Financial assets fair value hierarchy representing equity instruments disclosed in note 18.

The Group did not have any change in its capital management during the current interim period and the Group is not subject to any external capital requirements.

5) Segment Reporting

An operating segment is a group of components of the Company affected by risks and returns that distinguish it from others and engages in producing products or services that is known as operating segments or engages in producing products or services within economic environments that is known as geographical segments.
When providing information on a geographical basis, segment revenue is based on the geographical location of the customers and the segment's assets are based on the geographical location of the asset.

A. Operating Segment

The group include the following major operating segments:

- Manufacturing.
- Property investment.
- Contracting business.

	Manufacturing	Real estate	Construction	Total
	JD	JD	JD	JD
For the three months ended March 31, 2021 (Reviewed not audited)				
Segment net revenues	-	70.917	-	70.917
Lawsuits provision	(40.645)	(202.463)	(814)	(243.922)
Income tax provision penalties	-	(20.878)	(311)	(21.189)
Administrative and other expenses	(32.964)	(180.023)	(5.627)	(218.614)
Segment Gain (loss) before tax	**(73,609)**	**(332,447)**	**(6,752)**	**(412,808)**
As of March 31, 2021				
Segment total assets	8.947.920	63.335.159	93	72.283.172
Segment total liabilities	304.693	25.403.323	409.076	26.117.092
Capital expenditures	-	-	-	-

	Manufacturing	Real estate	Construction	Total
	JD	JD	JD	JD
For the three months ended March 31, 2020 (Reviewed not audited)				
Segment net revenues	-	119.100	-	119.100
Lawsuits provision	(31)	(111.992)	(815)	(112.838)
Income tax provision penalties	-	(3.504)	(73)	(3.577)
Administrative and other expenses	(14.019)	(155.685)	(4.235)	(173.939)
Segment Gain (loss) before tax	**(14,050)**	**(152,081)**	**(5,123)**	**(171,254)**
As of March 31, 2020				
Segment total assets	9.385.024	68.300.467	177	77.685.668
Segment total liabilities	213.813	27.207.975	382.543	27.804.331
Capital expenditures	-	58	-	58

B. Geographical Segment

The Group carries out all its activities within the Hashemite Kingdom of Jordan.

6) Investments property

Investments property include a land and building registered at Almadariyoun Concrete industries and Al Madariyoun Fabrication Industries, the management plan for this item is to study options for selling, or leasing the projects.

Investment property includes a land and building at net book value amounted to JOD 8,648,464as of March 31, 2021 reserved for lawsuits raised against the Group, the fair value of these investments has been estimated based on an opinion of three real estate vaulters at a value of JOD 8,648,464 as of 31 December 2020.

7) Lands under development and residential projects under construction

Lands under development and housing projects under construction includes projects at net book value amounted to JOD 41,576,022 as of March 31, 2021 (December 31, 2020: JOD 41,883,355) reserved for lawsuits raised against the Group.

The value of additions to land under development and housing projects under construction amounted to 52,540 JD for the period ended March 31 ,2021.

8) Property and equipment

There were no additions to the property and equipment account during the period ending March 31, 2021, (March 31, 2020: JOD 58). The depreciation expense on property and equipment during the period ended March 31, 2021 amounted to JOD 630 (March 31, 2020: JOD 1420).

Property and equipment include vehicles at net book value amounted to JOD 9 as of March 31, 2021 reserved against lawsuits raised against the group.

9) Investment in Associate Company

	As of	
	March 31, 2021 (Reviewed not audited)	December 31, 2020 (Audited)
	JD	JD
Investment percentage	33.33%	33.33%
Non-Current assets	8	8
Current assets	11,960,624	11,960,716
Current liability	34,868	34,868
Net assets	**11,925,764**	**11,925,856**
Revenue	-	-
Cost of revenue	-	-
Administrative expenses	(92)	(16,595)
Total comprehensive loss for the period / year	**(92)**	**(16,595)**
Share of comprehensive loss for the period / year	**(31)**	**(5,532)**

The movement on the investment in associate company balance during the year was as follows:

	2021	2020
	JD	JD
Balance of investment	3,975,286	3,980,818
Company's share from associate company operating results	(31)	(5,532)
Transferred from due to related party*	(3,946,133)	(3,946,133)
Ending balance of the period / year	**29,122**	**29,153**

* This item represents part of the balance due on the Group in favor of the associate company resulting from lands distribution.

Al-Maha for Real Estate Development Company owns lands with a net book value amounted to JOD 12,553,688 as of December 31, 2018. The company's general assembly decided in its meeting conducted on 22 September 2010 to distribute these lands over the group's owners, and during the last quarter of 2018, Al Maha commenced the process of distributing the land to the owners of the Group in accordance with the Extraordinary General Assembly Meeting held on November 5, 2018. The procedures of ownership transfer were completed at the related departments during April 2019.

10) Villas Inventory available for Sale

	As of	
	March 31, 2021 (Reviewed not audited)	December 31, 2020 (Audited)
	JD	JD
Villas inventory available for sale*	5,287,419	5,837,417
Provision for impairments of villas available for sale**	(1,228,458)	(1,250,171)
	4,058,961	**4,587,246**

*The movement of villas inventory available for sale during the period / year was as follows:

	As of	
	March 31, 2021 (Reviewed not audited)	**December 31, 2020 (Audited)**
	JD	**JD**
Balance at the beginning of the period / year	5,837,417	6,917,585
Transfer from Lands under development and housing projects under construction	366,323	4,255,798
Additional Cost during the period / year	-	(73,096)
Sale of residential units	1,350	190,057
	(917,671)	(5,452,927)
Balance at the end of the period / year	**5,287,419**	**5,837,417**

** The movement on the provision during the period / year was as follows:

	March 31, 2021 (Reviewed not audited)	**December 31, 2020 (Audited)**
	JD	**JD**
Balance at the beginning of the period / year	1,250,171	976,533
Additions	-	227,155
Transfer from Lands under development and housing projects under construction	6,450	618,823
Released during the year - villas sold	(28,163)	(572,340)
Balance at the end of the period / year	**1,228,458**	**1,250,171**

11) Construction Materials Inventory

	As of	
	March 31, 2021 (Reviewed not audited)	**December 31, 2020 (Audited)**
	JD	**JD**
Raw materials	2,917,337	2,921,276
Less: Construction materials impairment provision*	(182,105)	(182,105)
	2,735,232	**2,739,171**

*The movement on the provision during the period / year was as follows:

	2021	**2020**
	JD	**JD**
Balance at the beginning of the period / year	182,105	180,099
Additions during the period / year	-	2,006
Balance at the end of the period / year	**182,105**	**182,105**

12) Trade receivables and other debit balances

	As of	
	March 31, 2021 (Reviewed not audited)	December 31, 2020 (Audited)
	JD	JD
Account receivables*	2,252,761	2,254,005
Cheques under collection	4,503,370	4,503,370
	6,756,131	**6,757,375**
Advance payments to suppliers and contractors	851,609	845,392
Prepaid expenses	19,708	39,868
Refundable deposits	203,944	354,125
Sales tax deposits	59,829	59,829
Income tax deposits	56,472	56,472
Others	1,321	1,808
Total trade receivables and other debit balances	**7,949,014**	**8,114,869**
Less: Expected credit loss provision••	(6,031,491)	(6,031,491)
	1,917,523	**2,083,378**

This item includes a balance of JOD 1,444,587 representing a previous receivable that the Group has taken legal action to claim its collection, as a result of these legal procedures court decision number (2234) issued during the year 2011 requiring the second parties to pay the due balances to the group. As per the agreement signed with the second parties dated 29 of December 2013 it was agreed that they would wave a portion of their share in (Alluban) land with amount that equals the due balance to the group. Required registration procedures still have not been completed by the relevant official department up to the date of the financial consolidated statements.

The group share of the fair value of the land as of December 31, 2020 equals JOD 1,584,103, the group useed the method of actual assessment for the lands through using three dependent evaluation experts and using the average fair value.

The movement on the expected credit loss provision was as follows:

	2021	2020
	JD	JD
Balance at the beginning of the period / year	6,031,491	6,059,241
Provision Reversed	-	(25,262)
Additions	-	-
Reversal of provision	-	(2,488)
Balance at the end of the period / year	**(6,031,491)**	**(6,031,491)**

13) Related Parties Balances and Transactions

Related parties are sister and associate companies, and the companies owned by the principal owners and senior management personnel of the company. The company's management approves the pricing policies and terms of these transactions.

13-a) Related parties transactions

	Nature of relationship	Nature of transaction	For the three months ended on March, 31 2021 JD	2020 JD
Al-Maha for Real Estate development	Associate Company	Company's share from associate company operating results	(31)	(3,249)
			(31)	**(3,249)**

13-b) Key and executive management salaries and remunerations

The short-term key and executive management 's salaries and remunerations for the period ended March 31, 2021 amounted to JOD 28,950 (Against JOD 42,450 for the period ended March 31, 2020).

14) Income tax provision

The movement on income tax provision during the period /year was as follows:

	As of March 31, 2021 (Reviewed not audited) JD	December 31, 2020 (Audited) JD
Balance at the beginning of the period / year	935,563	1,014,432
Tax penalties	21,189	13,098
Income tax due on previous year profits	-	498
Income tax due on current period / year profits	12,006	27,682
National contribution expense of the period / year	116	1,384
Income tax paid	(7,278)	(120,448)
Provision Reversed	-	(1,083)
Balance at the end of the period / year	**961,596**	**935,563**

The current tax payable for the period ended March 31, 2021 is calculated in accordance with the Income Tax Law (No. 34) of 2018, which effective on January 1, 2019. Under this law, the company's legal tax rate is 20%, in addition to the national contribution of 1% (2020:1%, 20%).

There are reservations over the Group's movable and immovable funds for the benefit of the Income and sales tax department to settle claims which is the right of the department, the group recognized the sufficient provisions to meet these claims.

15) Lawsuits provision

The movement on lawsuits provision during the period/ year was as follows:

	As of March 31, 2021 (Reviewed not audited) JD	December 31, 2020 (Audited) JD
Balance at the beginning of the period / year	3,222,642	3,768,241
Additions during the period / year	246,368	541,512
Reversal of provision during the period / year	(2,446)	(148,068)
Paid during the period / year	-	(21,889)
Transferred to trade payables and other credit balances	(19,486)	(917,154)
Balance at the end of the period / year	**3,447,078**	**3,222,642**

16) Contingent Liabilities

	As of	
	March 31, 2021 (Reviewed not audited)	December 31, 2020 (Audited)
	JD	JD
Bank guarantees	668,198	668,198
Against cash deposits	17,957	18,138

- Lawsuits raised against the group:

Total amount of legal cases raised against the group amounted to JOD 6,491,074 during the period ended March 31, 2021 (December 31, 2020: JOD 6,218,247), accordingly the group recognized lawsuits provision amounted to JOD 3,447,078 during the period ended March 31, 2021 where this provision includes and taking into account the related legal liabilities amounted to JOD JOD 2,917,802. The management and its legal counsel believe that the recorded provisions in the condensed consolidated financial information are sufficient to cover any current and future obligations.

17) Going concern

This condensed consolidated interim financial information of the Group shows that there are some events and issues which constitute a major challenge on the performance of the group in the future and these issues include the following:

- There are reservations over the group's movable and immovable funds due to lawsuits raised against the group for the benefit of different entities.
- The group accumulated losses amounted to JOD (40,571,136) as of March 31, 2021 representing 47% of the group capital.
- A deficit in the working capital amounted to JOD 6.2 Million.
- The Group incurred a loss for the period ended March 31, 2021 amounted to JD (424,930). The group faces a high debt - to - equity ratio amounted to 56% as of March 31, 2021 (December 31, 2020: 58%) as a result of the decrease in the owners' equity due to the accumulated losses of the group.
- The accumulated losses for number of the subsidiary's companies exceeded half of its capital as of March 31, 2021 in addition to deficit in its working capital as follows:

	March 31, 2021		
	Paid up capital	(Accumulated losses) / retained earnings	Deficit in working capital on the subsidiary company's level before consolidation entries
	JD	JD	JD
Al- Andalusia company for Tourist Resorts and Housing projects	6,000,000	11,288,775	-
Al- Qubas real estate development Company	2,000,000	506,859	(16,025,173)
Al Tiraz for Construction	100,000	3,210,606	-
Al Madariyoun Concrete Industries	100,000	(12,373,470)	(7,644,815)
Al Madariyoun Fabrication Industries	15,000	(2,988,168)	(2,889,420)
Taameer for investment	15,000	(13,877,150)	(5,975,530)
Al- Rawabet for real estate development	15,000	(223,144)	(30,816)
Red Sea Resort for real estate Development	15,000	1,989,423	(8,238,074)
Tanfeeth for construction	300,000	(965,249)	(291,603)
Al Jamal Al-Arabi for real estate development company	1،194،460	(58,849)	(909)
Jordanian Qabas for real estate development company	2،043،946	(100,005)	(859)
Al Maha Land Investment & real estate development company	394،916	(31,462)	(919)

- According to the text of Article (75 - A) of the Companies Law No. (22) for the year 1997 and its amendments" should the losses of the limited liability company exceed half of its capital, the company's manager or its management committees shall invite the company's general assembly to an extraordinary meeting in order to decide whether the company should be liquidated or continue to exist in a manner that would rectify its position. If the general assembly fails to reach a decision in this respect within two consecutive meetings, the controller shall grant the company a grace period of not more than a month to reach the decision. If it fails in reaching a decision, the company shall be referred to court for the purposes of compulsory liquidation in accordance with the provisions of the law". And According to the text of Article (86) bis of the Companies Law No. (22) for the year 1997 and its amendments "If a private shareholding company is exposed to gross losses so that it becomes unable to meet its obligations towards its creditors, the board of directors shall invite the company's extraordinary General Assembly to a meeting to issue a decision, either to liquidate the company, or issue new shares, or any other decision which would guarantee its ability to fulfill its obligations. If the general assembly is unable to take a definite decision in this respect during two consecutive meetings, the controller shall give the company a one-month grace period to take the required decision. In the event the company fails to do so, it shall be referred to the court for compulsory liquidation in accordance with the provisions of this law".

Despite the existence of the conditions mentioned above from several years ago with different percentages and amounts, the Group has been able to continue its operations according to the management plan illustrated below:

The Group's management plan to address the going concern indicators are summarized as follows:

The company was able despite the difficulties of the economic situation in general and the apparent decline in the real estate sector in particular from maintaining a stable situation. The company was even able to increase the percentage of completion in projects, maintain varied sources of cash flow, complete many legal and financial settlements and remove many legal bookings on their assets, in addition to the closure of files stuck with different parties.

Success in achieving these achievements in these difficult circumstances is a solid evidence of the correct approach and the company's ability to continue even in the most difficult circumstances.

The Group will therefore continue to follow the same approach in 2021 in terms of utilizing the available resources best to achieve a balance between:

1- Complete existing projects.
2- Achieving legal settlements.
3- Settlement of the Group`s payables.
4- Covering the monthly obligations and administrative expenses.

The executive management has made assumptions regarding the sources of cash flow at a minimum, given the general economic conditions, which are understood to not reach the company to certain levels of profit, but will be sufficient to cover the points mentioned above (1-4). At the minimum and thus ensuring its continuity, and in the event that the company can raise the assumptions to achieve a flow greater than the minimum, this will lead to an ascending line towards achieving profits, and even a proportional fit is proportional to it.

18) Financial Risk Management

Market price risk

Equity price risk arises from financial assets at fair value through other comprehensive income that is held to meet the partially unfunded portion of the Group's liabilities as well as investments at fair value through statement of income. The group's management monitors the debt and securities portfolio in its market-based investment portfolio. Material investments are managed in the portfolio on an individual basis and the Risk Management Committee approves all purchases and sale decisions.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level I: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Prices quoted in active markets for similar instruments or through the use of valuation model that includes inputs that can be traced to markets, these inputs good be defend directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Book Value	Fair Value		
March 31,2021		**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	46,853	-	-	-
Financial assets at fair value through other comprehensive income	1,548	1,548	-	-
Trade receivables and other debit balances	1,917,523	-	-	-
Trade payables and other credit balances	(7,288,965)	-	-	-
Advance payments received against sales	(14,419,453)	-	-	-
December 31, 2020				
Cash and cash equivalents	49,390	-	-	-
Financial assets at fair value through other comprehensive income		-	-	-
Trade receivables and other debit balances	2,083,378	-	-	-
Trade payables and other credit balances	(7,331,923)	-	-	-
Advance payments received against sales	(15,202,304)	-	-	-

Management believes that the carrying amount of these financial assets and liabilities approximate their fair value. There were no transfers between level 1 and level 2.

19) Comparative Figures

The comparative figures represent the consolidated statement of financial position as of December 31, 2020 in addition to the condensed consolidated interim statement of profit or loss and other comprehensive income and condensed consolidated interim statement of changes in shareholders' equity and the condensed consolidated interim statement of cash flow for the period ended march 31, 2020.