

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

**Condensed Consolidated Interim Financial Information
for the Six Months Ended June 30, 2025**

**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 Six Months Ended June 30, 2025

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**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 June 30, 2025 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the six 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. 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 June 30, 2025 which resulted from a claim raised 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 February 14, 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 will increase by the same amount.
2. The accumulated losses balance as of June 30, 2025 includes a credit balance amounted to JOD (810) thousand 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. We have been unable 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".



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

Emphasis paragraph

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

- As indicated in note No. (20) 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 (2.66) million as described in the note referred above. According to International Standards on Auditing these conditions indicate the existence of material doubts about the group's ability to continue as a going concern. 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. Furthermore, the Group management has prepared a plan of action till December 31, 2025 to address these conditions and to ensure the business continuity, accordingly, this condensed consolidated interim financial information have been prepared on going concern basis.
- 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 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. However, the company had obtained a written approval as last and final extension for the completion period of the project till March 31, 2025. The company was unable to complete the project on its specified dates, moreover, the expected fines and interests were not estimated for the non-compliance within the implementation period granted to the company, however the company is following up with relevant parties to solve this matter.
- 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 (4.9) million as at June 30, 2025. 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 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 National 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. The Group had obtained an extension from National Resources Investment and Development Corporation (Mawared) for the project completion period until September 24, 2027. Also, 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)

**Amman - Jordan****July 22, 2025**

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

Condensed Consolidated Interim Statement of Financial Position

		As of	
		June 30, 2025 (Reviewed not audited) JD	December 31, 2024 (Audited) JD
	Note		
Assets			
Non-current assets			
Investments property	7	8,332,626	8,332,626
Lands under development and residential projects under construction	8	33,662,844	33,890,739
Lands under exploitation and development	9	2,667,264	2,667,264
Lands inventory	10	5,710,378	5,710,378
Property and equipment	11	9,579	10,931
Investment in associate company	12	2,061	2,061
Financial assets at fair value through other comprehensive income		4,692	6,344
Total non-current assets		50,389,444	50,620,343
Current assets			
Villas inventory available for sale	13	3,001,273	3,610,162
Construction materials inventory	14	1,604,551	1,604,563
Trade receivables and other debit balances	15	1,569,190	1,621,696
Checks under collection		45,899	139,855
Cash and cash equivalents		11,281	6,795
Total current assets		6,232,194	6,983,071
Total assets		56,621,638	57,603,414
Shareholder's equity and Liabilities			
Shareholder's equity			
Paid up Capital		42,803,502	86,840,292
Fair value reserve		(271,545)	(269,893)
Excess of purchase cost over the book value of the owned shares in subsidiary		183,444	183,444
Accumulated losses		(500,018)	(44,124,415)
Net shareholder's equity		42,215,383	42,629,428
Non-current liabilities			
Advance payments received against sales - long term		5,509,584	5,647,492
Total non-current liabilities		5,509,584	5,647,492
Current liabilities			
Advance payments received against sales - short term		2,595,620	2,808,903
Trade payables and other credit balances		4,346,835	4,571,172
Income tax provision	17	2,683	7,346
Lawsuit's provision	18	1,951,533	1,939,073
Total current liabilities		8,896,671	9,326,494
Total liabilities		14,406,255	14,973,986
Total shareholder's equity and Liabilities		56,621,638	57,603,414

The accompanying notes from page (7) to (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 July 22, 2025.

General Manager

Financial Manager

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

	Note	For the Three months ended on June 30,		For the Six months ended on June 30,	
		2025	2024	2025	2024
		(Reviewed not audited) JD	(Reviewed not audited) JD	(Reviewed not audited) JD	(Reviewed not audited) JD
Sales of villas		694,784	53,064	1,193,224	1,203,352
Cost of sales villas		(714,811)	(52,500)	(1,208,106)	(1,156,878)
Net profit from selling villas		(20,027)	564	(14,882)	46,474
Administrative expenses		(183,509)	(256,986)	(384,104)	(490,318)
Gains from sale of subsidiary	9	-	21,327	-	21,327
Expense of tax fines provision	17	(1,585)	-	(1,594)	(332)
Expense of lawsuit's provision	18	(42,196)	(16,943)	(12,460)	(360,096)
Other revenues		709	36,130	1,908	83,265
Loss for the period before income tax		(246,608)	(215,908)	(411,132)	(699,680)
Income tax and national contribution expense for the period	17	-	-	-	-
Income tax and national contribution expense for previous years	17	-	-	(1,261)	-
Loss for the period		(246,608)	(215,908)	(412,393)	(699,680)
Other comprehensive income items that will never be reclassified to profit or loss statement:					
Change in fair value for financial assets at fair value through other comprehensive income		(266)	319	(1,652)	1,758
Total comprehensive loss for the period		(246,874)	(215,589)	(414,045)	(697,922)
Basic and diluted loss per share for the period		(0.0057)	(0.0024)	(0.0096)	(0.0080)

The accompanying notes from page (7) to (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 July 22, 2025.

General Manager

Financial Manager

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

Condensed Consolidated Interim Statement of Changes in Shareholder's Equity

	Paid up capital	Fair value reserve	Excess of purchase cost over the book value of the owned shares in subsidiary *	Accumulated losses	Net Shareholder's Equity
	JD	JD	JD	JD	JD
<u>For the six months ended June 30, 2025 (Reviewed not audited)</u>					
Balance as at January 1, 2025	86,840,292	(269,893)	183,444	(44,124,415)	42,629,428
Amortization accumulated losses **	(44,036,790)	-	-	44,036,790	-
Loss for the period	-	-	-	(412,393)	(412,393)
Other comprehensive income items	-	(1,652)	-	-	(1,652)
Balance as of June 30, 2025	42,803,502	(271,545)	183,444	(500,018)	42,215,383
<u>For the six months ended June 30, 2024 (Reviewed not audited)</u>					
Balance as at January 1, 2024	86,840,292	(272,237)	183,444	(44,036,790)	42,714,709
Loss for the period	-	-	-	(699,680)	(699,680)
Other comprehensive income items	-	1,758	-	-	1,758
Balance as of June 30, 2024	86,840,292	(270,479)	183,444	(44,736,470)	42,016,787

- 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 General Assembly decided in its extraordinary meeting held on November 25, 2024 to rectify accumulated losses amounted to JOD (44,036,790) as of December 31, 2023 by decreasing the Group's capital, so the capital after the decrease becomes JOD (42,803,502), consequently, the Group has completed the amortization of accumulated losses procedures with the relevant authorities during January 2025.

The accompanying notes from page (7) to (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 July 22, 2025.

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

Condensed Consolidated Interim Statement of Cash Flow

	<u>Note</u>	For the Six Months Ended	
		June 30,	
		2025	2024
		(Reviewed not	(Reviewed not
		audited)	audited)
		JD	JD
Cash flows from operating activities			
Loss for the period before tax		(411,132)	(699,680)
Adjustments:-			
Depreciation	11	1,352	1,213
Reversal from expected credit losses provision		-	(500)
Gain from sales of villas		14,882	(46,474)
Gains from sale of subsidiary		-	(21,327)
Expense of tax fines provision	17	1,594	332
Expense of lawsuit's provision	18	12,460	360,096
Operating loss before change in working capital items		(380,844)	(406,340)
Changes in:			
Construction materials inventory		12	27,403
Trade receivables and other debit balances		52,505	(81,308)
Checks under collection		93,955	102,870
Trade payables and other credit balances		346,517	288,937
Advance payments received against sales		118,822	190,706
Proceeds from Villas inventory available for sale		136,809	249,107
Lands under development and projects under construction and lands inventory	8	(343,839)	(265,637)
Villas inventory available for sale and lands inventory	13	(11,934)	(29,094)
Cash flows from the operating activities		12,003	76,644
Income tax paid	17	(7,517)	(13,725)
Lawsuits provision paid	18	-	(67,950)
Net Cash flows from (used in) the operating activities		4,486	(5,031)
Cash flows from investing activities			
Purchase of property and equipment	11	-	(2,290)
Net cash flows used in investing activities		-	(2,290)
Net change in cash and cash equivalents during the period		4,486	(7,321)
Cash and cash equivalents at the beginning of the period		6,795	44,467
Cash and cash equivalents at the end of the period		11,281	37,146
<u>Non-Cash Transaction:</u>			
Transfer lands under development to villas inventory		519,314	361,626
Transfer the ownership of villas and lands inventory against lawsuits, trade payables and advance payments		1,056,415	1,297,245

The accompanying notes from page (7) to (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 July 22, 2025.

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

Notes to The Condensed Consolidated Interim Financial Information

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 (1 JOD /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 General Assembly decided in its extraordinary meeting held on November 25, 2024 to rectify accumulated losses amounted to JOD (44,036,790) as of December 31, 2023 by decreasing the Group's capital, so the capital after the decrease becomes JOD (42,803,502), consequently, the Group has completed the amortization of accumulated losses procedures with the relevant authorities during January 2025.

The condensed consolidated interim financial information was approved by the Board of Directors on its meeting held on July 22, 2025.

- 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 six months ended on June 30, 2025 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, 2024. As well as the financial performance for the condensed consolidated interim financial period ended June 30, 2025 does not necessarily give an indication for the expected financial performance for the period that will be ending on December 31, 2025.
- The considerations of measurement and recognition were applied in the condensed interim financial statements as of December 31, 2024, 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 statements of the subsidiaries are included in the consolidated financial statements from the date on which controls commence until the date on which control ceases.

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

Notes to The Condensed Consolidated Interim Financial Information

The Group owns the following subsidiaries and associates as of June 30, 2025:

	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
Al 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	200,000	%100	Preparation and processing of concrete molds and prefabricated concrete industries.	Amman - Jordan
Al Madariyoun Fabrication Industries	30,000	30,000	%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	30,000	%100	Construction of housing projects of all types, construction, management and ownership of hotels and resorts.	Amman - Jordan
Rawabet for real estate development	30,000	30,000	%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	30,000	%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 Real Estate Investment Company (Associate Company)	12,000,000	12,000,000	%33.33	Real estate development.	Amman - Jordan

- The subsidiaries (Al Madariyoun Concrete Industries Company, Al Madariyoun Fabrication Industries Company, Taameer for investment Company, Rawabet for real estate development Company and Red Sea resort for real estate development Company) have completed the procedures for paying the companies' capital through the partner's current account during the first quarter of the year 2024.

- There is a restriction on the parent company's shares in some of its subsidiaries against litigations raised against the group as of June 30, 2025 and December 31, 2024.

- During the second quarter of 2024, the Group sold and transferred its shares in Al Maha Land Investment and Real Estate Development Company, which was entirely owned by Al Qabas Real Estate Development Company.

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

Notes to the Condensed Consolidated Interim Financial Information

* The following table represents the financial position and financial performance of the subsidiaries as of and for the period ended June 30, 2025:

	Total Assets	Total Liabilities	Total Revenue	Profit (Loss) for the period
	JD	JD	JD	JD
Al-Andalusia Company for Tourist Resorts and housing projects	22,956,726	(6,090,391)	574,784	(57,943)
Al Qabas real estate development company	17,918,820	(15,201,078)	247,400	(33,445)
Al Tiraz for Construction	3,562,795	(189,928)	-	(1,844)
Al Madariyoun Concrete Industries	6,247,930	(8,013,938)	-	37,533
Al Madariyoun Fabrication Industries	2,391,880	(3,240,240)	-	(12,841)
Taameer for investment	5,984,706	(6,403,099)	-	(18,285)
Rawabet for real estate development	-	(40,397)	-	(483)
Red Sea Resort for real estate Development	18,582,467	(16,630,013)	371,040	52,501
Tanfeeth for construction	5	(317,410)	-	(474)
Al Jamal Al-Arabi for real estate development company	972,930	(2,936)	-	(153)
Jordanian Qabas for real estate development company	1,694,334	(2,852)	-	(153)

- During the second quarter of the year 2019, the Group completed the procedures for acquiring four new companies with and ownership percentage of (100%), which represents the Group's shares in the investment in associate company "Al Maha Real Estate Development Company", also, during the year 2019, the Group sold (Noor Al Maha Real Estate Development Company). During the second quarter of 2024, the Group sold and transferred its shares in Al Maha Land Investment and Real Estate Development Company, which was entirely owned by Al Qabas Real Estate Development Company.

* 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 its 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.

**Arab Phoenix Holdings Company
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And Its Subsidiaries (The Group)**

Notes to the Condensed Consolidated Interim Financial Information

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 this condensed consolidated interim financial information.

(c) Use of estimates

This condensed consolidated interim financial information has 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 Six months ended on June 30, 2025, 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, 2024.

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, 2024.

4) New standards or amendments for 2025 and requirements for the coming period

- The new standards or amendments that became effective as of January 1, 2025 were as follows

<u>New Standards and Amendments:</u>	<u>Effective Date</u>
Lack of Exchangeability - Amendments to IAS 21.	Effective starting from January 1, 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.	To be determined - Early adoption is permitted

- The new standards, amendments to standards and interpretations that have been issued but are not yet effective, and have not been applied in preparing this consolidated financial information are as follows:

Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7.	Effective starting from January 1, 2026
IFRS 18 - Presentation and Disclosure in Financial Statements.	Effective starting from January 1, 2027
IFRS 19 - Subsidiaries without Public Accountability.	Effective starting from January 1, 2027

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

Notes to the Condensed Consolidated Interim Financial Information

5) 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, 2024.

Financial assets fair value hierarchy representing equity instruments disclosed in note (21).

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.

6) 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.
- Real estate.
- Contracting business.

	Manufacturing	Real estate	Construction	Total
	JD	JD	JD	JD
For the Six months ended June 30, 2025 (Reviewed not audited)				
Segment net revenues	-	(14,882)	-	(14,882)
Lawsuits provision	51,799	(62,919)	(1,340)	(12,460)
Income tax provision	-	(1,594)	-	(1,594)
Administrative and other revenue	(27,108)	(354,111)	(977)	(382,196)
Segment loss before tax	24,691	(433,506)	(2,317)	(411,132)
As of June 30, 2025				
Segment total assets	8,521,879	48,099,666	93	56,621,638
Segment total liabilities	297,201	13,703,406	405,648	14,406,255
	Manufacturing	Real estate	Construction	Total
	JD	JD	JD	JD
For the Six months ended June 30, 2024 (Reviewed not audited)				
Segment net revenues	-	46,474	-	46,474
Lawsuit's provision	(1,788)	(356,966)	(1,342)	(360,096)
Income tax provision	-	(332)	-	(332)
Administrative and other revenue	37,200	(421,132)	(1,794)	(385,726)
Segment loss before tax	35,412	(731,956)	(3,136)	(699,680)
As of June 30, 2024				
Segment total assets	8,615,137	52,617,824	93	61,233,054
Segment total liabilities	369,923	18,444,139	402,205	19,216,267

B. Geographical Segment

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

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7) Investments property

Investments property includes a land and hangers registered at Al Madariyoun 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 hangers at net book value amounted to JOD (8,332,626) as of June 30, 2025 reserved for lawsuits raised against the Group, the fair value of these investments has been estimated based on an opinion of three real estate valuers at a value of JOD (8,332,626) as of December 31, 2024. During the year 2024, the Group leased one of the hangers owned by the Group, consequently, the Group depreciated investment properties (hangers) in depreciation rate of 10%.

The depreciation expense on investments property during the period ended June 30, 2025 amounted to JOD (504,370) and reversal of impairment provision amounted to JOD (504,370).

8) 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 (33,662,844) as of June 30, 2025 (December 31, 2024: JOD 33,890,739) reserved for lawsuits raised against the Group.

The value of additions to land under development and housing projects under construction amounted to JOD (343,839) for the period ended June 30, 2025.

9) Lands under exploitation and development stage

As mentioned in Note (12), it resulted from the acquisition of subsidiary companies according to the settlement agreement between the Group and associate company (Al-Maha Real Estate Development company) the group owning the rights to exploit and develop land at net book value amount of JOD 2,667,264 as of June 30, 2025 (December 31, 2024: JOD 2,667,264), which represents the right of these companies to a total of two land plots as at June 30, 2025 (December 31, 2024: Two land plots) for the purposes of development and establishment of projects in Al- Zarqa region according to the agreements signed between these companies and the National Resources Investment and Development Corporation (Mawared). According to the agreement annex signed on September 24, 2017, the project completion period extended for 6 years from the signing date. On April 20, 2025, the company had obtained an extension of the project completion period until September 24, 2027. The company is committed to the implementation stages of the project during the agreed period or attracting new investors for development purposes.

10) Lands inventory

This item includes lands with a net book value amounted to JOD (5,710,378) as of June 30, 2025 (2024: JOD 5,710,378) reserved for lawsuits raised against the group.

The average fair value for the lands according to the assessment of real estate experts licensed by the Department of Survey and Lands was JOD (5,710,378) as of June 30, 2025 (2024: JOD 5,710,378).

11) Property and equipment

The depreciation expense on property and equipment during the period ended June 30, 2025 amounted to JOD (1,352) (June 30, 2024: JOD 1,213).

Property and equipment include vehicles at net book value amounted to JOD 9 as of June 30, 2025 reserved against lawsuits raised against the group.

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12) Investment in Associate Company

The item of investment in associate company includes the following:

	As of June 30, 2025 (Reviewed not Audited) JD	As of December 31, 2024 (Audited) JD
Balance of investment as at the beginning of the period / year	3,973,530	3,973,530
Company's share from associate company operating results	-	-
Subtract: Transferred from due to related party - Al Maha for Real Estate Development Company	(3,971,469)	(3,971,469)
Ending balance of the period / year	2,061	2,061

Al-Maha for Real Estate development company owns lands with a fair value amounted to JOD (12,553,688) as of December 31, 2018 the Group's general assembly decided in its meeting conducted on 22 September 2010 to distribute these lands over the company's owners, note that the group share of the fair value of these lands covers the Investment amount in this company and the receivable balance due from the company as of December 31, 2018. During the last Quarter of 2018 Al Maha for property investment started the process of distributing its lands to the company owners accordingly to the extraordinary General Assembly meeting held on November 5, 2018, Note that the transfer ownership procedures were completed by the relevant official departments during April 2019, As a result of this process, Al Qabas Real Estate Development Company (a subsidiary of the group) owns four companies with 100% ownership (Al-Maha Land Investment & Real Estate Development Company Al Jamal Al-Arabi for Real Estate Development Company, Jordanian Al Qabas Real Estate Development Company, Noor Al Maha Real Estate Development Company) the group subsequently sold One of these companies (Noor Al Maha Real Estate Development Company) in the year 2019. During the second quarter of 2024, the Group sold and transferred its shares in Al Maha Land Investment and Real Estate Development Company which was entirely owned by Al Qabas Real Estate Development Company with net book value in amount of JOD (321,673).

The results of these companies have been consolidated in the accompanying consolidated financial information. As a result of this consolidation, the group owns the rights to exploit and develop land in the amount of JOD (2,667,264) as of June 30, 2025 which represents the right of these companies with a total of two plots of land as at June 30, 2025 for the purposes of development and construction of Rents in the Zarqa region according to the agreement signed between these companies and the National Resources Investment and Development Corporation.

13) Villas Inventory available for Sale

	As of June 30, 2025 (Reviewed not Audited) JD	December 31, 2024 (Audited) JD
Villas inventory available for sale *	3,595,836	4,502,429
Provision for impairment of villas available for sale **	(594,563)	(892,267)
	3,001,273	3,610,162

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

	As of	
	June 30, 2025 (Reviewed not Audited)	December 31, 2024 (Audited)
	JD	JD
Balance at the beginning of the period / year	4,502,429	6,126,029
Transfer from Lands under development and residential Projects under construction	1,093,205	3,752,555
Adjustments on the cost of villas during the period / year	11,934	56,941
Sale of residential units	(2,011,732)	(5,433,096)
))
Balance at the end of the period / year	3,595,836	4,502,429

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

	As of	
	June 30, 2025 (Reviewed not Audited)	December 31, 2024 (Audited)
	JD	JD
Balance at the beginning of the period / year	892,267	1,404,957
Provision reversed during period / year	-	(54,229)
Transfer from Lands under development and residential projects under construction	573,891	939,088
Used during the period / year - villas sold	(871,595)	(1,397,549)
))
Balance at the end of the period / year	594,563	892,267

14) Construction Materials Inventory

	As of	
	June 30, 2025 (Reviewed not Audited)	December 31, 2024 (Audited)
	JD	JD
Raw materials	2,775,018	2,775,030
Subtract: Construction materials impairment provision *	(1,170,467)	(1,170,467)
	1,604,551	1,604,563

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

	2025	2024
	JD	JD
Balance at the beginning of the period / year	1,170,467	858,604
Additions during the period / year	-	311,863
Balance at the end of the period / year	1,170,467	1,170,467

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15) Trade receivables and other debit balances

	As of	
	June 30, 2025 (Reviewed not Audited) JD	December 31, 2024 (Audited) JD
Account receivables	949,332	950,150
Cheques under collection *	4,503,370	4,503,370
	5,452,702	5,453,520
Advance payments to suppliers and contractors	817,210	835,467
Refundable deposits	202,063	202,663
Sales tax deposits	58,978	58,978
Employee income tax deposits and others	57,275	57,275
Prepaid expenses	4,640	36,049
Others	1,741	3,163
Total trade receivables and other debit balances	6,594,609	6,647,115
Subtract: Expected credit loss provision **	(5,025,419)	(5,025,419)
	1,569,190	1,621,696

* This item represents the checks under collection of the Industrial and Real Estate Investors Company, amounted to JOD (5,166,667), after discounting the present value of the debt which is amounted to JOD (663,297).

The Group filed a lawsuit against Industrial and Real Estate Investors Company to claim checks amounted to JOD (4,833,334), and a decision was issued on February 18, 2013 that obligates the defendant company to pay the amount, expenses, fees and legal interest, the execution of the decision was suspended as the Industrial and Real Estate Investors Company appealed the decision. The Court of Appeal issued a decision on February 13, 2024 to refuse the decision and reject the lawsuit filed by Industrial and Real Estate Investors Company's, including fees, expenses, and legal interest and fees. On November 10, 2024 the court and judge decision issued to refuse the appeal cassation and the judgment has become final.

The group persevered in executing the decision, as the execution judge issued a decision to seize the movable and immovable assets that may be seized, within the limits of the decided amount after calculating fees, expenses, legal fees and interest which is amounted to JOD (9,674,543). The group also filed two separate lawsuits to claim the remaining checks, amounted to JOD (333,334), and the cases are still in the stages of legal litigation.

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

	2025 JD	2024 JD
Balance at the beginning of the period / year	5,025,419	6,030,707
Taken during the period / year	-	44,577
Reversal from provision during the period / year	-	(1,048,443)
Used during the period / year	-	(1,422)
Balance at the end of the period / year	5,025,419	5,025,419

16) Key management salaries and remunerations

The short-term key management's salaries and remunerations for the period ended June 30, 2025 amounted to JOD (135,900) (for the period ended June 30, 2024 JOD 135,900).

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17) Income tax provision

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

	As of	
	June 30, 2025 (Reviewed not Audited) JD	December 31, 2024 (Audited) JD
Balance at the beginning of the period / year	7,346	34,762
Tax penalties	2,854	427
Income tax paid	(7,517)	(23,422)
Reversed from provision	-	(4,421)
Balance at the end of the period / year	2,683	7,346

- The current tax payable for the period ended June 30, 2025 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% (2024: 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.

18) Lawsuits provision

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

	As of	
	June 30, 2025 (Reviewed not Audited) JD	December 31, 2024 (Audited) JD
Balance at the beginning of the period / year	1,939,073	2,527,855
Taken during the period / year	76,262	993,530
Reversal of provision during the period / year	(63,802)	(654,659)
Settled during the period / year	-	(927,653)
Balance at the end of the period / year	1,951,533	1,939,073

19) Contingent assets and liabilities

	As of	
	June 30, 2025 (Reviewed not Audited) JD	December 31, 2024 (Audited) JD
Bank guarantees	490,988	516,468
Against cash deposits	17,596	17,596

- Lawsuits raised against the group

Total amount of legal cases raised against the group amounted to JOD (2,623,427) during the period ended June 30, 2025 (December 31, 2024: JOD 2,714,250), accordingly the group recognized lawsuits provision amounted to JOD (1,951,533) as of June 30, 2025, where this provision includes and taking into account the related legal liabilities, in addition to the liabilities recorded in the Group's accounts, the management believe that the recorded provisions in the consolidated financial statements are sufficient to cover any current and future obligations.

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- Contingent assets

- The Group filed a lawsuit against Industrial and Real Estate Investors Company to claim the value of checks amounted to JOD (4.8) million, and the judgment has become final in favor of the Group. The execution judge issued a decision to seize the movable and immovable assets within the limits of the decided amount after calculating fees, expenses, legal fees and interest which is amounted to JOD (9.67) million.
- The Group has filed a right lawsuit against founders and former chairman and members of the Board of Directors based on the decision of the Court issued on November 13, 2022 to claim the inclusion amounts of JOD (87) million.
- The group audited and settled the income tax of the Red Sea Resort Company till 2022, including accepted carried forward losses in amount of JOD 388,578, which resulted unrecognized deferred tax assets amounted to approximately JOD 19.4 thousand.

20) 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.
- A deficit in the working capital amounted to JOD (2,664,477) million.
- The Group incurred a loss for the period ended June 30, 2025 amounted to JD (412,393). The group faces a high debt-to- equity ratio amounted to 34.1% as of June 30, 2025 (December 31, 2024: 35.1%).
- The accumulated losses for number of the subsidiary's companies exceeded half of its capital as of June 30, 2025 in addition to deficit in its working capital as follows:

	June 30, 2025 (Reviewed not Audited)		
	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	8,001,362	-
Al- Qubas real estate development Company	2,000,000	(294,049)	(9,164,438)
Al Tiraz for Construction	100,000	3,172,866	-
Al Madariyoun Concrete Industries	200,000	(12,819,470)	(7,782,576)
Al Madariyoun Fabrication Industries	30,000	(3,385,794)	(3,164,446)
Taameer for investment	30,000	(13,677,268)	(5,256,347)
Rawabet for real estate development	30,000	(247,696)	(40,397)
Red Sea Resort for real estate Development	30,000	1,892,454	(11,004,425)
Tanfeeth for construction	300,000	(991,050)	(317,405)
Al Jamal Al-Arabi for real estate development company	1,194,460	(226,145)	(2,936)
Jordanian Qabas for real estate development company	2,043,946	(355,364)	(2,852)

- 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".

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- 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, the insolvency procedures contained in the insolvency law will be applied to it".

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

1. Creating new sources of income for the group to serve its interests.
2. Collecting the group's rights from others to benefit the group's companies as a whole.
3. Continuing to raise the percentages of execution and sales in the group's projects.
4. Studying the possibility of cooperating with strategic partners to develop the group's projects.
5. Studying the possibility of restructuring the group's real estate portfolio to serve its interests.
6. Continuing to complete legal and financial settlements to serve the group's interests.

Taking into account the profit and loss as possible within the financial circumstances.

21) 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 1: 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).

June 30, 2025	Book Value	Fair Value		
		Level 1	Level 2	Level 3
Cash and cash equivalents	11,281	-	-	-
Financial assets at fair value through other comprehensive income	4,692	4,692	-	-
Trade receivables and other debit balances	1,569,190	-	-	-
Trade payables and other credit balances	(4,346,835)	-	-	-
Advance payments received against sales	(8,105,204)	-	-	-
December 31, 2024				
Cash and cash equivalents	6,795	-	-	-
Financial assets at fair value through other comprehensive income	6,344	6,344	-	-
Trade receivables and other debit balances	1,621,696	-	-	-
Trade payables and other credit balances	(4,571,172)	-	-	-
Advance payments received against sales	(8,456,395)	-	-	-

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- * The Group's management believes that the book value of the financial assets and liabilities that appear in the financial information approximates their fair value. There are no transfers between Level 1 and Level 2 fair value.

22) Comparative Figures

The comparative figures represent the consolidated statement of financial position as of December 31, 2024, in addition to the condensed consolidated interim statement of profit or loss and other comprehensive income and condensed consolidated interim statement of changes in shareholder's equity and the condensed consolidated interim statement of cash flow for the period ended June 30, 2024.