

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

الإحداثيات العقارية
IHDATHIAT

To: Jordan Securities Commission

Amman Stock Exchange

Date: 15/5/2017

Subject: Quarterly Report as of March 31, 2017

Attached the Quarterly Report of (Ihdathiat Real Estate CO) as of March 31, 2017

Kindly accept our highly appreciation and respect

Ihdathiat Real Estate CO

Ala'a Al Masri Nadeen Al Qutieshat

Chairman

Vice chairman

السادة هيئة الأوراق المالية المحترمين

~~البنك الأردني للصناديق الاستثمارية~~

التاريخ: 2017/5/15

الموضوع: التقرير ربع السنوي كما هي في 2017/3/31

مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة الإحداثيات العقارية كما هي بتاريخ 2017/3/31 .

وتفضلوا بقبول فائق الاحترام

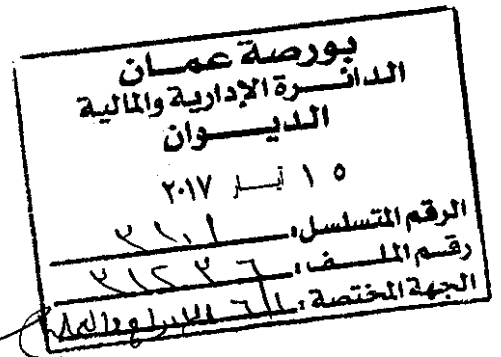
شركة الإحداثيات العقارية

رئيس مجلس الإدارة نائب رئيس مجلس الإدارة
الاء المصري نادين القطيشات

(Handwritten signatures and stamps)

- To Securities depository center

- نسخة السادة مركز إيداع الأوراق المالية المحترمين



AL – IHDATHIAT REAL ESTATE COMPANY
PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (U

31 MARCH 2017



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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Al-Ihdathiat Real Estate Company - Public Shareholding Company (the "Company") and its subsidiaries (the "Group") as at 31 March 2017, comprising of the interim consolidated statement of financial position as at 31 March 2017 and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the three months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

Amman – Jordan
25 April 2017

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2017

<u>ASSETS</u>	<u>Notes</u>	31 March 2017 JD (Unaudited)	31 December 2016 JD (AUDITED)
Non-current assets -			
Property and equipment		94	127
Properties under development	6	3,411,142	3,411,969
Financial assets at fair value through other comprehensive income		5,112	4,424
		<u>3,416,348</u>	<u>3,416,520</u>
Current assets -			
Other current assets		7,750	4,452
Cash and bank balances		65,044	73,850
		<u>72,794</u>	<u>78,302</u>
Total Assets		<u>3,489,142</u>	<u>3,494,822</u>
<u>EQUITY AND LIABILITIES</u>			
Shareholders' equity			
Paid in capital	1	4,486,627	4,486,627
Share capital issuance discount		(589,659)	(589,659)
Statutory reserve		65,940	65,940
Voluntary reserve		68,946	68,946
Fair value reserve		(1,224)	(1,912)
Accumulated losses		(624,347)	(624,347)
Loss for the period		(9,424)	-
Total Equity		<u>3,396,859</u>	<u>3,405,595</u>
Liabilities -			
Current liabilities			
Due to related parties		30,860	30,395
Other current liabilities		61,423	58,832
Total liabilities		<u>92,283</u>	<u>89,227</u>
Total Equity and Liabilities		<u>3,489,142</u>	<u>3,494,822</u>

The attached notes from 1 to 6 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTH ENDED 31 MARCH 2017 (UNAUDITED)

	<u>Notes</u>	For the Three Months Ended 31 March	
		2017	2016
		JD	JD
Interest income		491	442
Other revenues		986	608
Administrative expenses		(10,770)	(15,478)
Marketing expenses		(120)	(716)
Finance expenses		-	(4,866)
Bank charges		(11)	(20)
Loss for the period		(9,424)	(20,030)
		<u>JD/ Fils</u>	<u>JD/ Fils</u>
Basic and diluted earnings per share from the loss for the period	4	(0/002)	(0/005)

The attached notes from 1 to 6 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)

	For the Three Months Ended 31 March	
	2017	2016
	JD	JD
Loss for the period	<u>(9,424)</u>	<u>(20,030)</u>
Add: other comprehensive income net of tax that will not be transferred to profit or loss in subsequent periods :		
Change in fair value of financial assets at fair value through other comprehensive income	<u>688</u>	<u>(214)</u>
Total other comprehensive income for the period after tax	<u>688</u>	<u>(214)</u>
Total other comprehensive income for the period	<u>(8,736)</u>	<u>(20,244)</u>

The attached notes from 1 to 6 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)

	Paid in capital	Share capital issuance discount	Statutory reserve	Voluntary reserve	Fair value reserve	Loss for the period	Accumulated losses	Total
	JD	JD	JD	JD	JD	JD	JD	JD
For the year ended 31 March 2017								
As at 1 January 2017	4,486,627	(589,659)	65,940	68,946	(1,912)	-	(624,347)	3,405,595
Total comprehensive income	-	-	-	-	688	(9,424)	-	(8,736)
Balance at 31 March 2017	<u>4,486,627</u>	<u>(589,659)</u>	<u>65,940</u>	<u>68,946</u>	<u>(1,224)</u>	<u>(9,424)</u>	<u>(624,347)</u>	<u>3,396,859</u>
For the year ended 31 March 2016								
As at 1 January 2016	4,070,627	(428,251)	65,940	68,946	(1,788)	-	(580,274)	3,195,200
Total comprehensive income	-	-	-	-	(214)	(20,030)	-	(20,244)
Balance at 31 March 2016	<u>4,070,627</u>	<u>(428,251)</u>	<u>65,940</u>	<u>68,946</u>	<u>(2,002)</u>	<u>(20,030)</u>	<u>(580,274)</u>	<u>3,174,956</u>

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)

	For the Three Month Ended 31 March	
	Note	
	2017	2016
	JD	JD
<u>OPERATING ACTIVITIES</u>		
Loss for the period	(9,424)	(20,030)
Adjustments for -		
Depreciation	860	715
Interest income	(491)	(442)
Finance cost	-	4,866
Working capital changes -		
Related parties	465	-
Other current assets	(3,298)	(715)
Other current liabilities	2,591	(5,970)
Net cash flows used in operating activities	(9,297)	(21,576)
<u>INVESTING ACTIVITY</u>		
Interest income received	491	442
Net cash flows from investing activity	491	442
<u>FINANCING ACTIVITY</u>		
Finance cost	-	(4,866)
Net cash flows used in financing activity	-	(4,866)
Net decrease in cash and cash equivalents	(8,806)	(26,000)
Cash and cash equivalents at 1 January	73,850	72,188
Cash and cash equivalents at the period ended	65,044	46,188

The attached notes from 1 to 6 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2017

(1) GENERAL

Al-Ihdathiat Real Estate Company - Public Shareholding Company (the "Company") incorporated on 18 September 2005 with an authorized capital of JD 3,000,000 divided into 3,000,000 shares at a par value of JD 1 each. The general assembly decided in its extraordinary meeting held on 20 April 2015 to increase the capital from JD 3,000,000 to JD 4,070,627 as of 31 December 2015 through the issuance of 1,070,627 shares at par value of JD 1 and with an issuance discount of 400 cents.

The process of increase capital was completed on 20 August 2015. On April 12, 2016, the Securities Commission has approved on the allocation of 416,000 shares from the groups unquoted shares amounted to 929,373 shares for Jordan Investment Trust Company, where Jordan Investment Trust Company paid an amount of JD 254,594 (0.612 JD per share) in cash so that the quoted and paid in capital becomes JD 4,486,627 as of 31 December 2016.

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

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

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim condensed consolidated financial statements as of 31 March 2017 are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed financial statements have been prepared under the historical cost convention.

The interim condensed financial statement have been presented in Jordanian Dinars, which is the functional currency of the Group.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the annual financial statements as of 31 December 2016. In addition, results of the three month period ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2016 except for the followings:

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

Limited amendments which require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). However, the adoption of these amendments have no impact on the Group's consolidated interim condensed financial statements.

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Un-recognised Losses

Limited amendments to clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference and some other limited amendments, the adoption of these amendments have no impact on the Group's consolidated interim condensed financial statements.

(3) RELATED PARTIES TRANSACTIONS

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

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

	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
Trade payables – included in current liabilities		
Al-Ta'awon Company for property management (controlled by major shareholder)*	6,642	6,378
Jordan invest Company (The Parent Company)	24,218	24,017
	<u>30,860</u>	<u>30,395</u>

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

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2017

Details of transactions with related parties appearing in the statement of comprehensive income are as follows:

	For the three month ended 31 March	
	2017	2016
	JD (Unaudited)	JD (Unaudited)
Rent Expense paid for Al-Ta'awon Company for Property Management (Controlled by major shareholder)	825	500

The group has not paid salaries and bonuses to senior executives for the period ended March 31, 2017 and 2016.

Subsidiaries

The consolidated financial statement comprises the company's and its subsidiaries financial statements.

Company's Name	Paid in capital	Nature of activity	Percentage of Ownership		Company type
			31		
			31 March 2017	December 2016	
Sail Hosban Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability
Hojrat Alshamaly Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability
Khorbat Saka Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability

Companies have significant influence on the group

Jordan Invest Company has significant influence on the group where have 54% from the Group's capital as 31 March 2017 (31 December 2016: 54%).

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2017

(4) EARNINGS PER SHARE

	For the Three Month ended 31 March	
	2017 (Unaudited)	2016 (Unaudited)
Weighted average number of shares (Share)	4,486,627	4,070,627
Loss for the period (JOD)	(9,424)	(20,030)
	JD/Fils	JD/Fils
Basic and diluted earnings per share (JD) from the loss for the period	(0/002)	(0/005)

(5) INCOME TAX

The income tax provision was not calculated for the period ended 31 March 2017 and 2016 due to the increase in the deductible expenses on the taxable income, according to the income tax law No. (34) for the year 2014.

The group reached a final settlement with the Income and Sales Tax Department up to the year 2011.

The group filed its tax returns for the years 2012, 2013, 2014 and 2015, however, the Income and Sales Tax Department has not reviewed the accounting records until the date of these consolidated financial statements.

(6) PROPERTIES UNDER DEVELOPMENT

The details of this item are as follows:

	31 March 2017 JD	31 December 2016 JD
Lands (lower of cost or net realizable value)	1,230,176	1,230,176
Residential units *(at cost)	238,859	239,409
Project under construction (at cost)	1,942,107	1,942,384
	3,411,142	3,411,969

- * This item includes housing units with a carrying value of JD 161,932 that consist of three apartments with a total area of approximately 220 square meters, the promise of sale of these apartments was recorded on behalf of the Group on 30 November 2011 while the ownership of these apartments was not transferred to the group till the date of the preparation these financial statements.

