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

الإحـداثيات العقـارية
IHDATHIAT

To: Jordan Securities Commission
Amman Stock Exchange

السادة هيئة الاوراق المالية المحترمين
السادة بورصة عمان المحترمين

Date: 16/6/2020

التاريخ: 2020/6/16

Subject: Audited financial statements for the fiscal year ended 31st Dec 2019

الموضوع : البيانات المالية السنوية المدققة للسنة المنتهية في 31كانون الاول 2019

Please find attached the audited financial statements of Ihdathiat Real estate CO for the fiscal year ended **31st Dec 2019 .**

مرفق طيه نسخة من البيانات المالية المدققة لشركة الإحداثيات العقارية عن السنة المالية المنتهية في 31 كانون الأول 2019.

Regards

وتفضلوا بقبول فائق الاحترام،،،

Ala'a Al Masri
Chairman

Nadeen Al Qutieshat
Vice chairman

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

nadeen

شركة الإحداثيات العقارية
المساهمة العامة المحدودة
عمان - الأردن

- CC Securities depository center

- نسخة السادة مركز إيداع الأوراق المالية

بورصة عمان
الدائـرة الإدارية والمالية
الديـوان
١٦ حزيران ٢٠٢٠
الرقم المتسلسل: ١٩٦٤
رقم الملف: ٢١٢٣٦
الجهة المختصة: [illegible]

الإدارة: مبنى شركة الثقة للإستثمارات الأردنية - جبل عمان - الدوار الثالث - شارع عبد المنعم رياض - بناية رقم (٦٨) - هاتف: ٤٦٠٣٩٠٠ - فاكس: ٤٦٠٣٩٠١ - ص.ب: ٩٢٥٢٣٩ عمان ١١١٩٠ الأردن
H.off. : Jordan Investment Trust P.L.C - Jabal Amman - Third Circle - Abdel Al Min'am Riad Street - Building No 68 - Tel: 4603900 - Fax: 4603901 - P.O.Box 925239 Amman 11190 Jordan
E-mail: ihdathiatco@yahoo.com

AL – IHDATHIAT REAL ESTATE COMPANY
PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2019

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Ernst & Young Jordan
P.O.Box 1140
Amman 11118
Jordan
Tel : 00 962 6580 0777/00 962 6552 6111
Fax: 00 962 6553 8300
www.ey.com/me

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Al-Ihdathiat Real Estate Public Shareholding Company
Amman – Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Al-Ihdathiat Real Estate (a public shareholding company) (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2019, consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualifying our opinion and as disclosed in note (3) to the consolidated financial statements, investment properties include housing units with an amount of JD 161,932 are not registered in the name of the Group as of 31 December 2019 which includes promise for sale to the Group.

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Item: Impairment of Investment Properties The Group's disclosure about investments properties is included in note 3.	
Key Audit Item Investment property makes up 99% of Group's total assets as at 31 December 2019. Investment property is measured at cost less accumulated depreciation and less accumulated impairment losses. As a result, the annual impairment test for investment properties was considered a key audit matter.	**How the key audit Item was addressed in the audit** Our audit procedures included, amongst others, an evaluation of the group's policies and procedures to identify triggering events for potential impairment of investment properties including obtaining valuations reports conducted by independent valuation experts. We have also considered the independence and competency of the valuation experts.

Other Information Included in the Company's 2019 Annual Report.

Other information consists of the information included in the annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounting which are in agreement with the financial statements.

The partner in charge of the audit resulting in this auditor's report was Waddah Issam Barkawi; license number 591.

Amman – Jordan
16 February 2020

Ernst + Young

AL – IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019	2018
ASSETS		JD	JD
Non-current assets -			
Properties under development	3	3,402,043	3,405,352
Financial assets at fair value through other comprehensive income		4,037	4,359
		3,406,080	3,409,711
Current assets -			
Other current assets	4	11,023	5,962
Cash on hand and bank balances	5	13,324	35,121
		24,347	41,083
Total Assets		3,430,427	3,450,794
EQUITY AND LIABILITIES			
Equity -			
Shareholders equity			
Paid in capital	1	4,486,627	4,486,627
Share capital discount		(589,659)	(589,659)
Statutory reserve		65,940	65,940
Voluntary reserve		68,946	68,946
Fair value reserve		(2,299)	(1,977)
Accumulated losses		(703,430)	(679,467)
Total Equity		3,326,125	3,350,410
Liabilities -			
Current liabilities			
Related parties transactions	7	40,665	37,501
Other current liabilities	6	63,637	62,883
Total liabilities		104,302	100,384
Total Equity and Liabilities		3,430,427	3,450,794

The attached notes from 1 to 14 form part of these consolidated financial statements

AL – IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019	2018
		JD	JD
Interest income		537	1,209
Dividends		322	286
Other revenues		3,756	3,271
Administrative expenses	8	(28,178)	(30,469)
Marketing expenses		(400)	(590)
Loss for the year		(23,963)	(26,293)
		JD/Fils	JD/Fils
Basic and diluted earnings per share from the loss for the year	10	(0/005)	(0/005)

The attached notes from 1 to 14 form part of these consolidated financial statements

AL – IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	JD	JD
Loss for the year	(23,963)	(26,293)
Add: other comprehensive income net of tax that will not be transferred to profit or loss in subsequent periods:		
Net change in fair value of financial assets at fair value through other comprehensive income	(322)	428
Total other comprehensive income for the year after tax	(322)	428
Total other comprehensive income for the year	(24,285)	(25,865)

The attached notes from 1 to 14 form part of these consolidated financial statements

AL – IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Paid in capital	Share capital discount	Statutory reserve	Voluntary reserve	Fair value reserve	Accumulated losses	Total
For the year ended 31 December 2019	JD	JD	JD	JD	JD	JD	JD
Balance as at 1 January 2019	4,486,627	(589,659)	65,940	68,946	(1,977)	(679,467)	3,350,410
Total comprehensive income for the year	-	-	-	-	(322)	(23,963)	(24,285)
Balance as at 31 December 2019	4,486,627	(589,659)	65,940	68,946	(2,299)	(703,430)	3,326,125
For the year ended 31 December 2018							
Balance as at 1 January 2018	4,486,627	(589,659)	65,940	68,946	(2,405)	(653,174)	3,376,275
Total comprehensive income for the year	-	-	-	-	428	(26,293)	(25,865)
Balance as at 31 December 2018	4,486,627	(589,659)	65,940	68,946	(1,977)	(679,467)	3,350,410

The attached notes from 1 to 14 form part of these consolidated financial statements

AL – IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		JD	JD
OPERATING ACTIVITIES			
Loss for the year		(23,963)	(26,293)
Adjustments for -			
Depreciation		3,309	3,309
Interest income		(537)	(1,209)
Working capital changes -			
Related parties transactions		3,164	3,720
Other current assets		(5,061)	258
Other current liabilities		754	1,808
Net cash flows used in operating activities		(22,334)	(18,407)
INVESTING ACTIVITIES			
Interest received		537	1,209
Net cash flows from investing activities		537	1,209
Net decrease in cash and cash equivalents		(21,797)	(17,198)
Cash and cash equivalents at beginning of the year		35,121	52,319
Cash and cash equivalents at the end of the year	5	13,324	35,121

The attached notes from 1 to 14 form part of these consolidated financial statements

(1) GENERAL

Al-Ihdathiat Real Estate Company - Public Shareholding Company (the "Group") was incorporated on 18 September 2005 with an authorized capital of JD 5,000,000 and issued 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 through the issuance of 1,070,627 shares at par value of JD 1 and with an issuance discount of 400 fils. The process to increase the 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 Group's 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.

The Company is owned by Jordan Invest Company (Parent Company) by a percentage of 54%, and the financial statements are being consolidated with Jordan Invest Company (Parent Company).

The principal activities of the Company is 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 account.

The Company's main office is located in Jabal Amman, Amman - The Hashemite Kingdom of Jordan.

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements for the Group are prepared in accordance with International Financial Reporting Standards (IFRS).

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

The consolidated financial statements are presented in Jordanian Dinars which represents the functional currency of the Group.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Al-Ihdathiat Real Estate Company (the "Company") and its subsidiaries (the "Group") as at 31 December 2019:

Company's Name	Paid in capital	Nature of activity	Percentage of Ownership		Company type
			2019	2018	
Sail Hosban Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability
Hojrat Alshamaly Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability
Khorbat Saka Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability

Control exists when the Group controls the subsidiaries' significant and relevant activities, and is exposed, or has the rights, to variable returns from its involvement with the subsidiaries, and has the ability to affect those returns. Control over the subsidiaries is exercised when the following factors exist:

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

When the Group owns less than a majority of the voting rights in an investee, in this case, the Group considers all factors and circumstances to determine whether it has control over the investee, which include the following:

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

The Group re-evaluates whether it controls the investee company, in cases where circumstances or facts indicate a change in one or more of the three elements of control.

Subsidiaries are fully consolidated from the date of acquisition being the date on which the Group gains control, and continues to do so until the date when such control ceases. The subsidiaries revenues and expenses are consolidated in the consolidated statement of comprehensive income from the date the Group gains control over the subsidiaries until that control ceases.

Profits, losses and all other comprehensive income items are attributed to the shareholders' equity of the parent Company, and to non-controlling interest, even if this leads to a deficit balance. If need arises, the subsidiaries' financial statements are adjusted accordingly to comply with the Group's accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences, recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any gains or losses resulted from loss of control
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss

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 2018 except that the group has applied the following amendments as of 1 January 2019:

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on- interim consolidated financial position model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS (16) using the modified retrospective approach with the date of initial application of 1 January 2019 accordingly, prior year financial statements were not restated. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The adopting IFRS (16) has no impact on the Group's consolidated financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The interpretation is effective for annual reporting periods beginning on or after 1January 2019, but certain transition reliefs are available.

These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments do not have any impact on the Group's consolidated financial statements.

PROPERTIES UNDER DEVELOPMENT

Properties under development are registered and which have been purchased or are being developed with the aim of sale within the normal activity of the group at cost less any accumulated depreciation or net realizable value, whichever is lower.

The realizable value is the selling price within the normal activity based on the prevailing market prices on the consolidated financial statements less costs to sell.

Properties under development which represent residential units are depreciated in accordance with their useful lives on a straight-line basis.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

These are financial assets limited to equity instruments in order to maintain them in the long term.

These financial assets are initially recognized at fair value plus attributable transactions costs and subsequently measured at fair value. The change in fair value of those assets is presented in the statement of comprehensive income within equity, including the change in fair value resulting from the foreign exchange differences of non-monetary assets. In case those assets - or part of them - were sold, the resultant gain or loss is recorded in the statement of comprehensive income within equity and the fair value reserve for the sold assets is directly transferred to the retained earnings and not through the income statement.

- These assets are no longer subject to impairment testing.
- Dividends income is recorded in the income statement.

PROVISIONS

Provisions are recognized when the Group has a present obligation arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

INCOME TAX

Tax expenses represent accrued taxes and deferred taxes.

Income tax is provided in accordance with income tax regulations in the Hashemite Kingdom of Jordan and IAS (12).

REVENUE AND EXPENSES RECOGNITION

Revenue is recognized under IFRS 15 five step model approach which includes determining the contract, price, performance, obligation and revenue recognition and satisfaction of performance obligation.

Rental income is recognized on straight line basis over the rent contract period.

Interest revenue is recognized as interest accrues using the effective interest rate method.

Other revenues are recognized on an accrual basis.

Expenses are recognized on an accrual basis.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the fair value less costs of disposal and its value in use, whichever is higher and recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

FAIR VALUE MEASUREMENT

The Group evaluates its financial instruments such as financial assets at fair value through other comprehensive income at the date of the financial statements. Also, the fair value of financial instruments is disclosed in Note (11).

Fair value represents the price received in exchange for financial assets sold, or price paid to settle a sale between market participants at the date of financial statements.

The fair value is measured based on the assumption that the sale or purchase transaction of financial assets is facilitated through an active market for financial assets and liabilities respectively. In case there is no active market, a market best fit for financial assets and liabilities is used instead. The Group needs to acquire opportunities to access the active market or the best fit market.

The Group measures the fair value of financial assets and liabilities using the pricing assumptions used by market participants to price financial assets and liabilities, assuming that market participants behave according to their economic interests.

The fair value measurement of non-financial assets considers the ability of market participants to utilize the assets efficiently in order to generate economic benefits, or to sell them to other participants who will utilize them in the best way possible.

The Group uses valuation techniques that are appropriate and commensurate with the circumstances, and provides sufficient information for fair value measurement. Also, it illustrates clearly the use of inputs that are directly observable, and minimizes the use of inputs that are not directly observed.

The Group uses the following valuation methods and alternatives in measuring and recording the fair value of financial instruments:

All assets and liabilities for which fair value is measured or disclosed in the financial statements or have been written off are categories within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group determines whether transfers have accrued of any assets or liabilities between levels in the hierarchy by reassessing categorization (based on the lowest level input that significant to the fair value measurement as a whole) at the end of each reporting period.

For the disclosure of fair value, the Group classifies assets and liabilities based on their nature, their risk, and the level of fair value measurement.

FOREIGN CURRENCIES

Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange ruling at the date of the transactions.

Monetary assets and liabilities in foreign currencies are translated into respective functional currencies at rates of exchange prevailing at the reporting date of the consolidated statement of financial position.

CASH AND CASH EQUIVALENT

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, bank balances and short term deposits with an original maturity of three months or less.

USE OF ESTIMATES

The preparation of the financial statements requires Group's management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions and in particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions

(3) PROPERTIES UNDER DEVELOPMENT

The details of this item are as follows:

	2019	2018
	JD	JD
Lands (lower of cost or net realizable value)	1,230,176	1,230,176
Residential units *(at cost)	229,760	233,069
Project under construction (at cost)	1,942,107	1,942,107
	3,402,043	3,405,352

* 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 consolidated financial statements.

(4) OTHER CURRENT ASSETS

	2019	2018
	JD	JD
Refundable deposits	750	750
Prepaid expenses	4,783	1,082
Others	5,490	4,130
	11,023	5,962

(5) CASH ON HAND AND BANK BALANCES

The details of this item are as follows:

	2019	2018
	JD	JD
Cash on hand	72	139
Bank deposits*	11,139	33,076
Current accounts	2,113	1,906
	13,324	35,121

* This item represents deposits in Jordanian Dinars at Cairo Amman Bank, renewed on a monthly basis with an annual average interest rate approximately 3% during 2019 (2018: 3%).

(6) OTHER CURRENT LIABILITIES

	2019 JD	2018 JD
Shareholders deposits	59,126	59,126
Others	4,511	3,757
	63,637	62,883

(7) RELATED PARTIES TRASACTIONS

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

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

	2019 JD	2018 JD
Related parties transactions:		
Al-Ta'awon Company for Properties Management (Controlled by a major shareholder)*	15,078	12,327
Jordan Invest Company (Parent Company)	25,587	25,174
	40,665	37,501

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

Details of transactions with related parties that appear in the consolidated statement of comprehensive income are as follows:

	2019 JD	2018 JD
Rent expense paid for Al-Ta'awan Company for Properties Management (Controlled by a major shareholder)	2,000	2,000

The Group has not paid salaries and bonuses to senior executives for the years 2019 and 2018.

Subsidiaries

The consolidated financial statement comprises of the Company's and its subsidiaries financial statments:

Company's Name	Paid in capital	Nature of activity	Percentage of Ownership		Company's type
	JD		31 December 2019	31 December 2018	
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

(8) ADMINISTRATIVE EXPENSES

The details of this item are as follows:

	2019	2018
	JD	JD
Fees, licenses, stamps and subscriptions	7,115	7,629
Legal and professional fees	9,211	9,959
Stationary and publications	1,482	1,494
Post and telephone	2,600	2,623
Rent	2,000	2,000
Depreciation	3,309	3,309
Maintenance	120	460
Others	2,341	2,995
	28,178	30,469

(9) INCOME TAX

The income tax provision was not calculated for the years ended 31 December 2019, 2018, due to the increase in the deductible expenses on the taxable income. The Company is subject to a statuary income tax rate of 20% in addition to a 1% National Contribution Tax in accordance with the new Income Tax Law No. (38) which took effect on 1 January 2019.

The income tax provision was calculated for the year ended 31 December 2018 in accordance with the Income Tax Law No. (34) Of 2014. The Company and its subsidiaries are subject to a statutory income tax rate of 20%.

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

(10) LOSS PER SHARE

	2019	2018
Loss for the year (JD)	(23,963)	(26,293)
Weighted average number of shares during the year (Share)	4,486,627	4,486,627
	JD/Fils	JD/Fils
Basic and diluted earnings per share from the loss for the year	(0/005)	(0/005)

(11) FAIR VALUE

Fair Value of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash on hand and bank balances, financial assets at fair value through other comprehensive income and some other current assets. Financial liabilities consist of due to related parties, and some other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

The Group uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of financial assets was measured using the fair value through other comprehensive income using level (1) of the serial system for the fair value.

(12) RISK MANAGEMENT

Interest rate risk

Interest rate risk arises from the possible impact of changes in interest rates on the fair value or future cash flows of financial assets.

The Group is exposed to interest rate risk on its interest bearing assets such as bank deposits.

The sensitivity of the income statement is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December.

The following table demonstrates the sensitivity of the income statement to reasonably possible changes in interest rates as of 31 December, with all other variables held constant.

2019-	*Increase / (decrease)*	*Effect on loss of the year*
Currency	*point*	*JD*
Jordanian Dinar	100	111
Jordanian Dinar	(100)	(111)

2018-	*Increase / (decrease)*	*Effect on loss of the year*
Currency	*point*	*JD*
Jordanian Dinar	100	331
Jordanian Dinar	(100)	(331)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks.

Liquidity risk

Liquidity risk is the risk that the Group will not meet its obligations under its financial liabilities based on contractual maturity dates. The Group monitors its liquidity by ensuring availability of funds to meet its obligations at their maturity dates.

Currency risk

All of the Group's transactions are in Jordanian Dinars, hence the Group is not exposed to currency risk.

(13) CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a credit rating and capital ratios in order to support its business and maximize shareholders value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the current year. Capital comprises of paid in capital, share capital discount, statutory reserve, voluntary reserve, fair value reserve and accumulated losses and is measured at JD 3,326,125 as at 31 December 2019 (2018: JD 3,350,410)

(14) STANDARDS AND INTERPRETATION ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 - Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2021 with comparative figures required. Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to Group.

Amendments to IFRS 3: Definition of a Business

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IAS 1 and IAS 8: Definition of "Material"

The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments to the definition of material is not expected to have a significant impact on the Group's consolidated financial statements.