

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

**Condensed Consolidated Interim Financial Information
for the Three Months Ended March 31, 2024**

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

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

For the Three Months Ended March 31, 2024

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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 March 31, 2024 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three months period then ended. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

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

Basis for Qualified Conclusion

1. The company's management has not recorded the necessary provisions in accordance with IAS (37) "Provisions, contingent liabilities and contingent assets" against stamp fees and related delay fines amounted to JOD (830) thousand for the period ended March 31, 2024 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 March 31, 2024 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. (18) 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 (5.57) 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, 2024 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 also obtained approval from the Aqaba Special Economic Zone Authority to exempt the company from fines incurred as a result of the delay in the implementation of the project subject to the completion of the projects within the extended time period. The company was previously unable to complete the project on its specified dates. Moreover, the expected fines and benefits were not estimated in the event of non-compliance with the implementation period granted to the company.
- Housing and Urban Development Corporation HUDC has raised a lawsuit against the Group to prevent opposition to benefit of real estate, removing facilities and compensating expenses related to "Ahl Alazem Project" which its net value amounted to JOD (5) million as at March 31, 2024. 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. 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

April 24, 2024

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

Condensed Consolidated Interim Statement of Financial Position

	Note	As of	
		March 31, 2024 (Reviewed not Audited) JD	December 31, 2023 (Audited) JD
Assets			
Non-current assets			
Investments property	7	8,362,558	8,362,558
Lands under development and residential projects under construction	8	35,248,150	35,366,790
Lands under exploitation and development		2,988,937	2,988,937
Lands inventory		8,266,860	8,266,860
Property and equipment	9	11,016	9,949
Investment in associate company	10	2,061	2,061
Financial assets at fair value through other comprehensive income		5,438	4,000
Total Non-current assets		54,885,020	55,001,155
Current assets			
Villas inventory available for sale	11	4,020,937	4,721,072
Construction materials inventory	12	1,945,676	1,973,079
Trade receivables and other debit balances	13	532,678	515,680
Checks under collection		163,998	195,536
Cash and cash equivalents		49,886	44,467
Total current assets		6,713,175	7,449,834
Total Assets		61,598,195	62,450,989
Liabilities and shareholders' equity			
Shareholders' equity			
Paid up Capital		86,840,292	86,840,292
Fair value reserve		(270,798)	(272,237)
Excess of purchase cost over the book value of the owned shares in subsidiary		183,444	183,444
Accumulated losses		(44,520,562)	(44,036,790)
Net shareholders' equity		42,232,376	42,714,709
Non-current liabilities			
Advance payments received against sales - long term		7,085,498	7,080,498
Total non-current liabilities		7,085,498	7,080,498
Current liabilities			
Advance payments received against sales - short term		3,474,632	4,322,341
Trade payables and other credit balances		5,912,115	5,770,824
Income tax provision	15	29,566	34,762
Lawsuits provision	16	2,864,008	2,527,855
Total current liabilities		12,280,321	12,655,782
Total liabilities		19,365,819	19,736,280
Total liabilities and shareholders' equity		61,598,195	62,450,989

The accompanying notes on page from (7) to page (17) 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 April 24, 2024.

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

		For the three months ended on March 31,	
		2024	2023
		(Reviewed not Audited)	(Reviewed not Audited)
Note		JD	JD
	Sales of villas	1,150,288	582,309
	Cost of sales villas	(1,104,378)	(571,717)
	Net profit from selling villas	45,910	10,592
	Administrative expenses	(233,332)	(236,215)
15	Provision of tax fines	(332)	(833)
16	Lawsuits provision expenses	(343,153)	(62,493)
	Other revenue	47,135	5,135
	Loss for the period before income tax	(483,772)	(283,814)
	Income tax expense for the period	-	-
	National contribution expense for the period	-	-
	Total Loss for the period	(483,772)	(283,814)
	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	1,439	53
	Total comprehensive loss for the period	(482,333)	(283,761)
	Basic and diluted loss per share for the period	(0.0056)	(0,0032)

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General Manager

Financial Manager

**Arab Phoenix Holdings Company
(Public Shareholding Company - Holding Company)
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Condensed Consolidated Interim Statement of Changes in Shareholders' Equity

	Paid up capital		Fair value reserve		Excess of purchase cost over the book value of the owned shares in subsidiary *		Accumulated losses		Net Shareholders' Equity	
	JD		JD		JD		JD		JD	
<u>Changes for the three months ended March 31, 2024</u>										
(Reviewed not audited)										
Balance as at January 1, 2024	86,840,292		(272,237)		183,444		(44,036,790)		42,714,709	
Losses for the period	-		-		-		(483,772)		(483,772)	
Other comprehensive income items	-		1,439		-		-		1,439	
Balance as of March 31, 2024	86,840,292		(270,798)		183,444		(44,520,562)		42,232,376	
<u>Changes for the three months ended March 31, 2023</u>										
(Reviewed not audited)										
Balance as at January 1, 2023	86,840,292		(286,199)		183,444		(43,157,127)		43,580,410	
Losses for the period	-		-		-		(283,814)		(283,814)	
Other comprehensive income items	-		53		-		-		53	
Balance as of March 31, 2023	86,840,292		(286,146)		183,444		(43,440,941)		43,296,649	

- 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 company) during the year 2015.

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

Condensed Consolidated Interim Statement of Cash Flow

	Note	For the Three Months Ended	
		March 31,	
		2024 (Reviewed not Audited) JD	2023 (Reviewed not Audited) JD
Cash flows from operating activities			
Loss for the period		(483,772)	(283,814)
Adjustments:-			
Depreciation	9	572	761
Gain from sale of Villas		(45,910)	(10,592)
Provision of tax fines expenses		332	833
Lawsuits provision expenses	16	343,153	62,493
Operating loss before change in working capital items		(185,625)	(230,319)
Changes in:			
Construction materials inventory		27,403	292
Trade receivables and other debit balances		(16,998)	14,799
Trade payables and other credit balances		158,831	(5,871)
Checks under collection		31,538	95,397
Advance payments received against sales		67,706	111,300
Lands under development and projects under construction	8	(242,988)	(36,247)
Villa's inventory available for sale	11	(23,744)	(13,014)
Proceeds from sale of Villas inventory available for sale		203,463	85,507
Cash flows from the operating activities		19,586	21,844
Income tax paid	15	(5,528)	(20,297)
Lawsuits provision paid	16	(7,000)	-
Net Cash flows from operating activities		7,058	1,547
Cash flows from investing activities			
Proceed to purchase property and equipment		(1,639)	-
Net Cash flows used in investing activities		(1,639)	-
Net change in cash and cash equivalents		5,419	1,547
Cash and cash equivalents at the beginning of the period		44,467	37,945
Cash and cash equivalents at the end of the period		49,886	39,492
Non cash transaction			
Transferring lands under development to villas inventory		361,626	37,310
Transfer the ownership of villas and lands inventory against lawsuits, advance payments and creditors		946,825	476,920

The accompanying notes on page from (7) to page (17) 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 April 24, 2024.

**Arab Phoenix Holdings Company
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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 condensed consolidated interim financial information was approved by the Board of Directors on its meeting held on April 24, 2024.

- The main objectives of the Company are:

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

2) Basis of Preparation of Condensed Consolidated Interim Financial Information

(a) Statement of compliance

- The condensed consolidated interim financial information for the three months ended on March 31, 2024 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, 2023. As well as the financial performance for the condensed consolidated interim financial period ended March 31, 2024 does not necessarily give an indication for the expected financial performance for the period that will be ending on December 31, 2024.
- The considerations of measurement and recognition were applied in the condensed interim financial information as of December 31, 2023, moreover, the Company did not have transactions effected by seasonality events during the year.

(b) Basis of condensed consolidated interim financial information consolidation

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

**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 associate as of March 31, 2024:

	Authorized Capital		Ownership	Nature of Operation	Country of operation
	JD	JD			
Al- Andalusia company for Tourist Resorts and Housing projects	6,000,000	6,000,000	%100	Construction, management and ownership of hotels and resorts, buying lands and construction of projects activities.	Amman-Jordan
Al- Qabas real estate development Company	2,000,000	2,000,000	%100	Purchase and development of lands, construction of housing projects for re-sale and rent activities.	Amman-Jordan
Tiraz for Construction	200,000	100,000	%100	Implementation all Arab Phoenix Holding company projects and manage the construction of these projects.	Amman-Jordan
Al Madariyoun Concrete Industries.	200,000	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 Land Investment & real estate development company	394,916	394,916	%100	Buying and splitting real estate and land with the intention of selling it.	Amman-Jordan
Al Maha Real Estate Investment Company (Associate Company)	12,000,000	12,000,000	%33.33	Real estate development.	Amman-Jordan

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 its subsidiaries against litigations raised against the group as of March 31, 2024 and December 31, 2023.

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 March 31, 2024:

	Total Assets	Total Liabilities	Total Revenue	Profit (Loss) for the period
	JD	JD	JD	JD
Al-Andalusia Company for Tourist Resorts and housing projects	24,362,789	(6,251,798)	-	(310,159)
Al- Qabas real estate development company	19,179,746	(16,791,554)	305,136	12,706
Al Tiraz for Construction	3,568,824	(186,079)	-	(1,344)
Al Madariyoun Concrete Industries	6,250,717	(8,007,852)	-	33,202
Al Madariyoun Fabrication Industries	2,429,631	(3,179,234)	-	(6,405)
Taameer for investment	4,990,939	(6,284,680)	-	(7,470)
Rawabet for real estate development	-	(34,018)	-	(461)
Red Sea Resort for real estate Development	19,541,193	(17,799,963)	845,152	27,343
Tanfeeth for construction	5	(311,124)	-	(435)
Al Jamal Al-Arabi for real estate development company	972,930	(2,358)	-	(276)
Jordanian Qabas for real estate development company	1,694,334	(2,314)	-	(282)
Al Maha Land Investment & real estate development company	321,673	(2,141)	-	(279)

* During the second quarter of the year 2019, the Group completed the procedures for acquiring four new companies with an ownership percentage of (100%), which represents the Group's shares in the investment in the associate company "Al-Maha Real Estate Development Company" and one of these companies was sold later as shown in Note (10).

* 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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Notes to The Condensed Consolidated Interim Financial Information

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

- 1- Derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position.
- 2- Recognizes any investment retained in the former subsidiary at its fair value when control is lost subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant IFRS.
- 3- Recognizes the gain or loss associated with the non-controlling interest.

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

Non-controlling interest are measured at their proportionate share of the acquirer's identifiable net assets at the acquisition date.

Balances, transactions and unrealized profits and expenses resulted from transactions within the group are eliminated when preparing these consolidated financial statements.

(c) Use of estimates

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 three months ended on March 31, 2024, 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, 2023.

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, 2023.

4) New standards or amendments for 2024 and requirements for the coming period

IFRS Number	IFRS Name
International Financial Reporting Standard IFRS No. (17).	Insurance contracts.
Amendments to the International Accounting Standards Standard No. (1).	Presentation of financial Statement.
Amendments to the International Accounting Standards Standard No. (8).	Accounting Policies, Changes in accounting estimates and errors.
Amendments to the International Accounting Standards Standard No. (12).	Income Taxes.
Amendments to the International Accounting Standards IAS No. (16).	Leases.
Amendments to the International Accounting Standards Standard No. (7).	Statement of Cash Flows.
Amendments to the International Accounting Standards Standard No. (21).	Effects of changes in foreign exchange rates.

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, 2023.

Financial assets fair value hierarchy representing equity instruments disclosed in note 19.

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.
- Property investment.
- Contracting business.

	<u>Manufacturing</u>	<u>Real estate</u>	<u>Construction</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
For the three months ended March 31, 2024 (Reviewed not audited)				
Segment net revenues	-	45,910	-	45,910
Lawsuits provision	(894)	(341,588)	(671)	(343,153)
Income tax provision penalties	-	(332)	-	(332)
Administrative and other expenses	27,692	(212,781)	(1,108)	(186,197)
Segment loss before tax	26,798	(508,791)	(1,779)	(483,772)
As of March 31, 2024				
Segment total assets	8,562,417	53,035,685	93	61,598,195
Segment total liabilities	343,072	18,621,423	401,324	19,365,819
	<u>Manufacturing</u>	<u>Real estate</u>	<u>Construction</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
For the three months ended March 31, 2023 (Reviewed not audited)				
Segment net revenues	-	10,592	-	10,592
Lawsuits provision	(908)	(60,942)	(643)	(62,493)
Income tax provision penalties	-	(833)	-	(833)
Administrative and other expenses	(13,386)	(216,515)	(1,179)	(231,080)
Segment loss before tax	(14,294)	(267,698)	(1,822)	(283,814)
As of March 31, 2023				
Segment total assets	8,509,304	56,110,889	93	64,620,286
Segment total liabilities	322,019	20,600,216	401,402	21,323,637

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

Investment property includes a land and hangers at net book value amounted to JOD (8,362,558) as of March 31, 2024 reserved for lawsuits raised against the Group, the fair value of these investments has been estimated based on an opinion of three real estate vaulters at a value of JOD (8,362,558) as of December 31, 2023.

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 (35,248,150) as of March 31, 2024 (December 31, 2023: JOD 35,366,790) reserved for lawsuits raised against the Group.

The value of additions to land under development and housing projects under construction amounted to (242,988) JOD for the period ended March 31, 2024.

9) Property and equipment

The depreciation expense on property and equipment during the period ended March 31, 2024 amounted to JOD 572 (March 31, 2023: JOD 761), and additions during the period amounted to JOD (1,639).

Property and equipment include vehicles at net book value amounted to JOD 9 as of March 31, 2024 reserved against lawsuits raised against the group.

10) Investment in Associate Company

The balance for investment in associate company includes the following:

	As of	
	March 31, 2024 (Reviewed not Audited) JD	December 31, 2023 (Audited) JD
Investment balance at the beginning of the year	3,973,530	3,973,530
Company's share from associate company operating results	-	-
Subtract: Transferred from due to a 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 net book value amounted to JOD 12,553,688 as of December 31, 2018. The company's general assembly decided in its meeting conducted on 22 September 2010 to distribute these lands over the group's owners, and during the last quarter of 2018, Al Maha commenced the process of distributing the land to the owners of the Group in accordance with the Extraordinary General Assembly Meeting held on November 5, 2018. The procedures of ownership transfer were completed at the related departments during April 2019.

11) Villas Inventory available for Sale

	As of	
	March 31, 2024 (Reviewed not Audited) JD	December 31, 2023 (Audited) JD
Villas inventory available for sale *	5,253,410	6,126,029
Provision for impairments of villas available for sale **	(1,232,473)	(1,404,957)
	4,020,937	4,721,072

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

	As of	
	March 31, 2024 (Reviewed not Audited) JD	December 31, 2023 (Audited) JD
Balance at the beginning of the period / year	6,126,029	6,588,956
Transfer from Lands under development and residential Projects under construction	619,231	2,571,456
Transfer to Lands under development and residential Projects under construction	-	(261,475)
Adjustments on the cost of villas during the period / year	23,744	389,760
Sale of residential units	(1,515,594)	(3,162,668)
Balance at the end of the period / year	5,253,410	6,126,029

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

	March 31, 2024 (Reviewed not Audited) JD	December 31, 2023 (Audited) JD
	Balance at the beginning of the period / year	1,404,957
Provision reversed during period / year	-	(2,604)
Transfer from Lands under development and residential projects under construction	257,605	557,486
Used during the period / year - villas sold	(430,089)	(641,141)
Balance at the end of the period / year	1,232,473	1,404,957

12) Construction Materials Inventory

	As of	
	March 31, 2024 (Reviewed not Audited) JD	December 31, 2023 (Audited) JD
Raw materials	2,804,280	2,831,683
Less: Construction materials impairment provision *	(858,604)	(858,604)
	1,945,676	1,973,079

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

	2024 JD	2023 JD
	Balance at the beginning of the period / year	858,604
Additions during the period / year	-	322,574
Balance at the end of the period / year	858,604	858,604

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13) Trade receivables and other debit balances

	As of	
	March 31, 2024 (Reviewed not Audited) JD	December 31, 2023 (Audited) JD
Account receivables	906,902	877,800
Cheques under collection *	4,503,370	4,503,370
	5,410,272	5,381,170
Advance payments to suppliers and contractors	810,590	802,713
Prepaid expenses	19,724	38,439
Refundable deposits	204,743	205,243
Sales tax deposits	58,978	58,978
Income tax deposits	57,311	57,311
Others	1,767	2,533
Total trade receivables and other debit balances	6,563,385	6,546,387
Less: Expected credit loss provision **	(6,030,707)	(6,030,707)
	532,678	515,680

* There is a lawsuit filed by the group against the Industrial and Real Estate Investors Company to claim these checks, and a decision was issued on February 18, 2013 that obligates the defendant company to pay the amount, expenses, fees and legal interest, the implementation 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.

14) Key management salaries and remunerations

The short-term key management's salaries and remunerations for the period ended March 31, 2024 amounted to JOD 67,950 (Against JOD 75,510 for the period ended March 31, 2023).

15) Income tax provision

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

	As of	
	March 31, 2024 (Reviewed not Audited) JD	December 31, 2023 (Audited) JD
Balance at the beginning of the period / year	34,762	84,956
Tax penalties	332	1,489
Income tax paid	(5,528)	(51,683)
Balance at the end of the period / year	29,566	34,762

The current tax payable for the period ended March 31, 2024 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% (2023: 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.

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16) Lawsuits provision

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

	As of	
	March 31, 2024 (Reviewed not audited) JD	December 31, 2023 (Audited) JD
Balance at the beginning of the period / year	2,527,855	2,849,199
Additions during the period / year	343,153	263,968
Reversal during the period / year	-	(308,177)
Paid during the period / year	(7,000)	(153,719)
Transferred to Trade payables and other credit balances	-	(123,416)
Balance at the end of the period / year	2,864,008	2,527,855

17) Contingent assets and liabilities

	As of	
	March 31, 2024 (Reviewed not audited) JD	December 31, 2023 (Audited) JD
Bank guarantees	527,398	556,518
Against cash deposits	17,596	17,596

- Lawsuits raised against the group

Total amount of legal cases raised against the group amounted to JOD (3,753,196) during the period ended March 31, 2024 (December 31, 2023: JOD 3,549,253), accordingly the group recognized lawsuits provision amounted to JOD (2,864,008) as of March 31, 2024, where this provision includes and taking into account the related legal liabilities, the management and its legal counsel believe that the recorded provisions in the consolidated financial statements are sufficient to cover any current and future obligations.

- Contingent assets

- 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 356,710, which resulted unrecognized deferred tax assets amounted to approximately JOD 17.8 thousand.

18) Going concern

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

- There are reservations over the group's movable and immovable funds due to lawsuits raised against the group for the benefit of different entities.
- The group accumulated losses amounted to JOD (44,520,562) as of March 31, 2024 representing 51.3% of the group capital.
- A deficit in the working capital amounted to JOD 5.57 million.
- The Group incurred a loss for the period ended March 31, 2024 amounted to JD (482,333). The group faces a high debt-to-equity ratio amounted to (45.9%) as of March 31, 2024 (December 31, 2023: 46.2%).

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- The accumulated losses for number of the subsidiary's companies exceeded half of its capital as of March 31, 2024 in addition to deficit in its working capital as follows:

	March 31, 2024		
	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	9,245,271	-
Al- Qubas real estate development Company	2,000,000	(586,029)	(10,923,268)
Al Tiraz for Construction	100,000	3,182,744	-
Al Madariyoun Concrete Industries	200,000	(12,810,597)	(7,766,769)
Al Madariyoun Fabrication Industries	30,000	(3,287,037)	(3,102,555)
Taameer for investment	30,000	(14,537,617)	(6,178,651)
Rawabet for real estate development	30,000	(241,316)	(34,018)
Red Sea Resort for real estate Development	30,000	1,696,230	(9,726,913)
Tanfeeth for construction	300,000	(984,764)	(311,118)
Al Jamal Al-Arabi for real estate development company	1,194,460	(225,568)	(2,358)
Jordanian Qabas for real estate development company	2,043,946	(354,826)	(2,314)
Al Maha Land Investment & real estate development company	394,916	(75,916)	(2,141)

According to the text of Article (75 - A) of the Companies Law No. (22) for the year 1997 and its amendments" should the losses of the limited liability company exceed half of its capital, the company's manager or its management committees shall invite the company's general assembly to an extraordinary meeting in order to decide whether the company should be liquidated or continue to exist in a manner that would rectify its position. If the general assembly fails to reach a decision in this respect within two consecutive meetings, the controller shall grant the company a grace period of not more than a month to reach the decision. If it fails in reaching a decision, the company shall be referred to court for the purposes of compulsory liquidation in accordance with the provisions of the law".

And According to the text of Article (86) bis of the Companies Law No. (22) for the year 1997 and its amendments "If a private shareholding company is exposed to gross losses so that it becomes unable to meet its obligations towards its creditors, the board of directors shall invite the company's extraordinary General Assembly to a meeting to issue a decision, either to liquidate the company, or issue new shares, or any other decision which would guarantee its ability to fulfill its obligations. If the general assembly is unable to take a definite decision in this respect during two consecutive meetings, the controller shall give the company a one-month grace period to take the required decision. In the event the company fails to do so, it shall be referred to the court for compulsory liquidation in accordance with the provisions of this law".

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

The group was able during the year 2023 to achieve the following results:

1. Reducing its annual losses by approximately 51% compared to the previous year.
2. Raising completion and sales percentage in existing projects.
3. Settlement of the group legal and financial debts.

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As for the Group's plan for the next stage, it focuses on the following topics:

- a) Continuing to raise completion and sales percentage in the Group's projects.
- b) Continuing to complete legal and financial settlements that serve the interest of the group.
- c) Creating and diversifying additional sources of income for the group.

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

19) 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).

	Book Value	Fair Value		
		Level 1	Level 2	Level 3
March 31, 2024				
Cash and cash equivalents	49,886	-	-	-
Financial assets at fair value through other comprehensive income	5,438	5,438	-	-
Trade receivables and other debit balances	532,678	-	-	-
Trade payables and other credit balances	(5,912,115)	-	-	-
Advance payments received against sales	(10,560,130)	-	-	-
December 31, 2023				
Cash and cash equivalents	44,467	-	-	-
Financial assets at fair value through other comprehensive income	4,000	4,000	-	-
Trade receivables and other debit balances	515,680	-	-	-
Trade payables and other credit balances	(5,770,824)	-	-	-
Advance payments received against sales	(11,402,839)	-	-	-

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

20) Comparative Figures

The comparative figures represent the consolidated statement of financial position as of December 31, 2023, in addition to the condensed consolidated interim statement of profit or loss and other comprehensive income and condensed consolidated interim statement of changes in shareholders' equity and the condensed consolidated interim statement of cash flow for the period ended March 31, 2023.