

FIRST JORDAN INVESTMENT COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED  
JUNE 30, 2021  
TOGETHER WITH THE  
REVIEW REPORT

FIRST JORDAN INVESTMENT COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION WITH THE REVIEW REPORT  
JUNE 30, 2021

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## Review Report

AM/ 017165

H.E. The Chairman and Members of the Board of Directors  
First Jordan Investment Company  
(Public Shareholding Limited Company)  
Amman – The Hashemite kingdom of Jordan

### **Introduction**

We have reviewed the condensed consolidated interim statement of financial position of First Jordan Investment Company ("the Company") and its subsidiaries (together "the Group") as of June 30, 2021 and the related consolidated statements of profit or loss and comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of 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 investment in a subsidiary, which is carried in the condensed consolidated interim statement of financial position at JD 20,002 as of June 30, 2021 (December 31, 2020: JD 20,002), represents an investment in Al-Baha Investment Company (the "subsidiary"). The results of the aforementioned subsidiary have not been consolidated in determining the results of the Group, which constitutes a departure from IFRS. We were unable to determine the adjustments necessary to the interim financial information as a result of this matter. Our opinion in the prior year was also modified in respect of this matter.
2. Due from related parties, which are carried in the condensed consolidated interim statement of financial position at JD 10,879,238 as of June 30, 2021 (December 31, 2020: JD 10,871,349), includes amounts due from a subsidiary of JD 10,680,102 as of June 30, 2021 (December 31, 2020: JD 10,672,246). We were unable to obtain sufficient appropriate evidence about the carrying amount of the amounts due from the subsidiary as we could not confirm the amount with the subsidiary and we could not determine if the amounts were recoverable. Consequently, we were unable to determine whether any adjustments to this amount were necessary. Our opinion in the prior year was also modified in respect of this matter.

# Deloitte.

## Qualified Conclusion

Based on our review, with the exception of the matter described in paragraph 1 above and the adjustments to the interim financial information that we might have become aware of had it not been for the situation described in paragraph 2 above, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, with International Accounting Standard 34 Interim Financial Reporting.

## Emphasis of Matters

We draw attention to:

1. Note (9/E) of the condensed consolidated interim financial statements, which describes that a plot of land is registered in the names of existing and previous Board of Directors' members.
2. Note (17/B) of the condensed consolidated interim financial statements, which describes details relating to a lawsuit raised by the Public Right prosecutor and United Group Holdings Company against the Company relating to a personal claim of JD 72 million.

Our conclusion is not modified in respect of these matters.

## Other Matter

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

Amman – The Hashemite Kingdom of Jordan  
July 29, 2021

Deloitte & Touche (M.E.)  
ديلويت و توش (م.ع.)  
010103

FIRST JORDAN INVESTMENT COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	June 30, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD
<u>ASSETS</u>			
Current assets:			
Cash on hand and at banks	4	33,056	12,972
Financial assets at fair value through profit or loss	5	2,198,354	1,786,785
Due from related parties	14	10,879,238	10,871,349
Other debit balances	6	250,743	169,767
Total Current Assets		13,361,391	12,840,873
Non-Current assets:			
Financial assets at fair value through other comprehensive income	7	12,603,317	10,152,726
Investments in associates	8	2	2
Investment in nonconsolidated subsidiary company	2/a	20,002	20,002
Property and equipment - net		318,916	329,050
Investment property – net	9	35,755,521	35,953,071
Projects under construction		12,000	12,000
Deferred tax assets	10/c	322,460	322,460
Total Non-Current Assets		49,032,218	46,789,311
Total Assets		62,393,609	59,630,184
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Current Liabilities:			
Bank loans due within one year	11	461,852	966,743
Brokers payables		523,225	523,530
Due to related parties	14	36,838	26,220
Unearned revenues		311,288	81,759
Other credit balances	12	1,133,718	1,200,833
Total Current Liabilities		2,466,921	2,799,085
Non-Current Liabilities:			
Bank loans due within more than one year	11	7,887,206	7,074,902
Total Non-Current Liabilities		7,887,206	7,074,902
Total Liabilities		10,354,127	9,873,987
Shareholder's Equity:			
Paid-up capital	1	75,000,000	75,000,000
Statutory reserve		327,276	327,276
Fair value reserve		(10,917,005)	(13,732,584)
Accumulated (losses)	13	(12,019,703)	(11,838,495)
(Loss) for the period		(351,086)	-
Net Shareholders' Equity		52,039,482	49,756,197
Total Liabilities and Net Shareholders' Equity		62,393,609	59,630,184

The accompanying notes constitute an integral part of these condensed consolidated interim financial information and should be read with them and with the accompanying review report.

**FIRST JORDAN INVESTMENT COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN – THE HASHEMITE KINGDOM OF JORDAN**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**REVIEWED NOT AUDITED**

	Note	For Three Months Ended June 30,		For Six Months Ended June 30,	
		2021	2020	2021	2020
		JD	JD	JD	JD
Rental revenues		142,807	144,239	269,670	279,978
Net (loss) / gain from financial assets at fair value through profit or loss	15	414,792	94,859	415,046	(1,649,836)
General and administrative expenses		(108,998)	(87,331)	(213,255)	(194,322)
Investment property expenses		(239,955)	(197,459)	(480,386)	(434,540)
Commissions on sale and purchase of securities		(828)	-	(911)	(1,259)
Other revenues		10,018	250	10,922	3,728
(Loss) gain from currency exchange		-	236	-	(506)
Project under construction impairment loss		-	-	-	(10,000)
(Loss) from Operating Activities		<u>217,836</u>	<u>(45,206)</u>	<u>1,086</u>	<u>(2,006,757)</u>
Finance expenses		<u>(272,573)</u>	<u>(235,125)</u>	<u>(352,172)</u>	<u>(308,203)</u>
(Loss) for the period before income tax		(54,737)	(280,331)	(351,086)	(2,314,960)
Income Tax	10/b	-	(9,559)	-	(9,559)
(Loss) for the Period		<u>(54,737)</u>	<u>(289,890)</u>	<u>(351,086)</u>	<u>(2,324,519)</u>
<b>Other Comprehensive Income Items:</b>					
<b>Items that will not be reclassified subsequently to the condensed interim statement of profit or loss:</b>					
Changes in fair value for financial assets through other comprehensive income - net		<u>1,327,884</u>	<u>-</u>	<u>2,634,371</u>	<u>(147,357)</u>
Total Other Comprehensive income (Loss) for the Period		<u>1,327,884</u>	<u>-</u>	<u>2,634,371</u>	<u>(147,357)</u>
Total Comprehensive (Loss) for the Period		<u>1,273,147</u>	<u>(289,890)</u>	<u>2,283,285</u>	<u>(2,471,876)</u>
(Loss) per Share for the Period - (Basic and Diluted)	16	<u>(0.001)</u>	<u>(0.002)</u>	<u>(0.005)</u>	<u>(0.031)</u>

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First JORDAN INVESTMENT COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Paid-Up Capital	Statutory Reserve	Fair Value Reserve	Accumulated (Losses)	(Loss) for the Period	Net Shareholders' Equity
<u>For the Six Months Ended June 30, 2021</u>	JD	JD	JD	JD	JD	JD
	75,000,000	327,276	(13,732,584)	(11,838,495)	-	49,756,197
Balance - beginning of the period (Audited)	0					
(Loss) for the period	-	-	-	-	(351,086)	(351,086)
Other comprehensive income items for the period	-	-	2,634,371	-	-	2,634,371
Total Comprehensive income for the Period	-	-	2,634,371	-	(351,086)	2,283,285
Realized losses resulted from sale of financial assets through other comprehensive income	-	-	181,208	(181,208)	-	-
Balance - End of the Period (Reviewed)	<u>75,000,000</u>	<u>327,276</u>	<u>(10,917,005)</u>	<u>(12,019,703)</u>	<u>(351,086)</u>	<u>52,039,482</u>
<u>For the Six Months Ended June 30, 2020</u>						
	75,000,000	327,276	(13,008,766)	(6,100,410)	-	56,218,100
Balance - beginning of the period (Audited)	0					
(Loss) for the period	-	-	-	-	(2,324,519)	(2,324,519)
Other comprehensive (loss) items for the period	-	-	(147,357)	-	-	(147,357)
Total Comprehensive (Loss) for the Period	-	-	(147,357)	-	(2,324,519)	(2,471,876)
Realized losses resulted from sale of financial assets through other comprehensive income	-	-	730,000	(730,000)	-	-
Balance - End of the Period (Reviewed)	<u>75,000,000</u>	<u>327,276</u>	<u>(12,426,123)</u>	<u>(6,830,410)</u>	<u>(2,324,519)</u>	<u>53,746,224</u>

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First JORDAN INVESTMENT COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – THE HASHEMITE KINGDOM OF JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED JUNE 30, 2021

	Note	For the six Months Ended June 30,	
		2021	2020
		(Reviewed) JD	(Reviewed) JD
Cash Flows from Operating Activities:			
(Loss) for the period before tax		(351,086)	(2,314,960)
Adjustments for:			
Depreciation of property and equipment		10,579	10,579
Depreciation of investment property		281,111	288,144
Projects under construction impairment losses		-	10,000
Unrealized (gain) losses of financial assets at fair value through profit or loss		(414,798)	1,750,346
Finance cost		352,172	308,203
(Gain) from the sale of financial assets at fair value through profit or loss		(348)	(4,915)
Dividends income	15	-	(95,595)
Net Cash (used in) Operations before Changes in Working Capital		(122,270)	(48,198)
(Increase) in other debit balances		(80,978)	(71,666)
(Increase) in due from related parties		(7,889)	(5,000)
Increase in unearned revenue		229,529	51,457
(Decrease) increase in other credit balances		(108,538)	48,958
Net Cash (used in) Operating Activities		(90,146)	(24,449)
Cash Flows from Investing Activities:			
Proceeds from the sale of financial assets at fair value through other comprehensive income		201,391	270,000
Proceeds from the sale of financial assets at fair value through profit or loss		2,477	23,657
(Additions) of investment property		(83,477)	(2,618)
(Purchase) of property and equipment		(445)	(730)
Dividends distribution	15	-	95,595
Net Cash Flows from Investing Activities		120,881	385,904
Cash Flows from Financing Activities:			
Increase in due to related parties		10,618	4,822
(Decrease) in brokers payables – margin financing		(305)	(4,030)
Loans and finance expenses paid		(20,964)	(299,938)
Net Cash (used in) Financing Activities		(10,651)	(229,146)
Net Increase in Cash		20,084	62,309
Cash on hand at and banks - beginning of the year		12,972	29,592
Cash on Hand and at Banks - End of the Period	4	33,056	91,901

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FIRST JORDAN INVESTMENT COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – THE HASHEMITE KINGDOM OF JORDAN  
NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION

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1. Incorporation and Activities

- a. First Jordan Investment Company was incorporated in Jordan and registered for the ministry of industry and trade as a Public Shareholding Company on May 3, 2006 under registration number (402) with paid up capital amounted to JD 150 Million at a par value of JD 1 per share. On April 20, 2014 the Company's general assembly resolved to decrease its paid up capital through the amortization of its accumulated losses, accordingly the authorized and paid up capital reached JD 75 Million divided on to 75 Million Share. All legal producers of capital reduction were completed by the Ministry of Industry and Trade during 2014.
- b. The Company's is located in Amman, Al-Rabia area, Abdullah Bin Rawaha Street, Building No. (4) – The Hashemite Kingdom of Jordan.
- c. The parent company and its subsidiaries main objectives include investment of the Company's funds in the industrial, economic, financial, real estate, commercial, and tourism, and the investment in securities of all kinds in addition to investment, construction, rental of real estate, land purchase, establishment of residential apartments on them, sale and management, and development of real estate.

2. Basis of Preparation

- The accompanying condensed consolidated interim financial information are prepared in accordance with the international accounting standard (34) related to interim financial statements.
- The condensed consolidated interim financial information are prepared under the historical cost convention, except for financial assets and financial liabilities, which are stated at fair value in the condensed consolidated interim financial information.
- The condensed consolidated interim financial statements are stated in Jordanian Dinar, which represents the functional currency of the Company.
- The accompanying condensed consolidated interim financial information do not include all the information and disclosures required for the annual consolidated financial statements of the Company, which are prepared in accordance with International Financial Reporting Standards and should be read with the annual report of the Company as of December 31, 2020. In addition, the results of the Company's operations for the six-month period ended June 30, 2021 do not necessarily represent indication of the expected results for the year ending December 31, 2021. The appropriation has not been made to the income for the six-month period ending June 30, 2021, which is usually made at the end of the fiscal year.

Judgments, estimates and risk management

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The 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 Company's annual consolidated financial statements for the year ended December 31, 2021.

#### Basis of Consolidation of the Condensed Interim Financial Information

The condensed consolidated interim financial statements include the financial information of the Company and the subsidiary controlled by it. Control is achieved when the Company has the power to govern the financial and operating policies of the subsidiary company so as to obtain benefits from its activities. All inter-group transactions, balances, income and expenses are eliminated.

The financial information of the subsidiaries were prepared using the same accounting policies adopted by the Company. If the accounting policies adopted by the subsidiary are different from those used by the Company, the necessary adjustments to the financial information of the subsidiary company are made to comply with the accounting policies used by the Company.

The results of operations of the subsidiaries are consolidated into the consolidated statement of income from the effective date of acquisition which is the date on which actual control over the subsidiary company is obtained. Moreover, the results of operations of the disposed of subsidiaries are incorporated into the consolidated statement of income up to the effective date of disposal which is the date on which the Company loses control over the subsidiary companies.

The Company owns the following subsidiaries as of June 30, 2021 and December 31, 2020:

Company's Name	Authorized and Paid up Capital	Percentage Ownership	Main Activity	Country
	JD	%		
Al-Baha for Investment Company	50,000	55	Real Estate	Jordan
Al- Taher for Investment and Real Estate Development Company	750,000	100	Investments	Jordan
Al-Ada'a for Trading and Investment	50,003	100	Investments	Jordan
First Fuheis Investment Company	19,500	100	Real Estate	Jordan
Al-Tunaib for Real Estate Investment Company	19,500	100	Real Estate	Jordan
Pearl Hawara for Trading and Investment Company	19,500	100	Real Estate	Jordan
First Salt Investment Company	30,000	100	Real Estate	Jordan
Al-Mattar Investment Company (under liquidation)	19,500	100	Real Estate	Jordan

The following table shows the financial position and financial performance of the subsidiaries:

Company Name	As of June 30, 2021			As of December 31, 2020		
	Total Assets	Total Liabilities	Net Assets	Total Assets	Total Liabilities	Net Assets
	JD	JD	JD	JD	JD	JD
Al-Baha for Investment Company-(A)	16,181,962	16,068,107	113,855	16,181,962	16,060,251	121,711
Al- Taher for Investment and Real Estate Development Company- (B)	13,649,574	13,910,576	(261,002)	13,687,793	13,610,033	77,760
Al-Ada'a for Trading and Investment	10,502,012	7,756,673	2,745,339	10,650,471	7,653,642	2,996,829
First Fuheis Investment Company	4,825,452	5,016,798	(191,346)	4,825,433	5,015,519	(190,104)
Al-Tunaib for Real Estate Investment Company	1,138,415	1,308,100	(169,685)	1,138,415	1,308,058	(169,643)
Pearl Hawara for Trading and Investment Company	910,900	985,837	(74,937)	910,899	985,795	(74,896)
First Salt Investment Company	27,797	-	27,797	27,870	-	27,870
Al-Mattar Investment Company (under liquidation)- (C)	49,122	8	49,114	49,122	8	49,114

  

Company Name	For the Six Months Ended June 30, 2021			For the Six Months Ended June 30, 2020		
	Revenue	Expense	Net (Loss)	Revenue	Expense	Net (Loss)
	JD	JD	JD	JD	JD	JD
Al-Baha for Investment Company – (A)	-	17,671	(17,671)	-	163	(163)
Al- Taher for Investment and Real Estate Development Company – (B)	56,400	367,918	(311,518)	14,620	172,780	(158,160)
Al-Ada'a for Trading and Investment	214,520	316,999	(75,479)	271,336	81,324	190,012
First Fuheis Investment Company	-	1,279	(1,279)	-	-	-
Al-Tunaib for Real Estate Investment Company	-	42	(42)	-	-	-
Pearl Hawara for Trading and Investment Company	-	21	(41)	-	-	-
First Salt Investment Company	-	22	(22)	-	-	-
Al-Mattar Investment Company (under liquidation) – (C)	-	-	-	-	-	-

- The Company did not consolidate the interim financial information and statements of Al-Baha for Investments Company (subsidiary) as of June 30, 2021 and December 31, 2020, even though, the Company acquired control over Al-Baha investment Company board of directors on March 3, 2013, to facilitate the required legal procedures of the raised lawsuit , noting that the figures disclosed above represent the financial position and the financial performance of Al-Baha Investments Company according to the latest unaudited financial information available to the Company's' management.
- The accumulated losses of Al-Taher for Investment and Real Estate Development Company (Limited Liability Company) amounted to JD 699,240 as of December 31, 2020 in the proportion of 93% of the total paid-up capital. The future management plan to address the company's financial situation is to impair the accumulated losses in the company's current account during the year 2021. The general assembly of Al-Taher for Investment Real Estate for Development company approved in its extra ordinary meeting held on July 23, 2020, to amortize the accumulated losses amounted to JD 914,147 as of December 31, 2019 through First Jordan for Investment Company (partner) current account. The procedures related to the amortization of losses at the official authorities have not been completed until the date of the condensed consolidated interim financial statements.
- The General Assembly of Al-Mattar Investment Company decided in its extraordinary meeting held on April 4, 2017 to liquidate the company as a voluntarily liquidation. The legal procedures have not yet been completed.

### 3. Significant Accounting Policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended on June 30, 2021 are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2020. However, the Bank has adopted the following amendments and interpretations that apply for the first time in 2021 and have not materially affected the amounts and disclosures in the condensed consolidated interim financial information for the period and prior years, which may have an impact on the accounting treatment of future transactions and arrangements:

#### Interest Rate Benchmark Reform - Phase 2 amendments

Effective from January 1, 2021, the Group has implemented Interest Rate Benchmark Reform - Phase 2 amendments which address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IFRS 7, IFRS 4, IFRS 16 and IAS 39 relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities and hedge accounting.

The amendments require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability. In addition it provides certain exceptions to hedge accounting requirements.

### 4. Cash on Hand and at Banks

This item consists of the following:

	June 30, 2021(Reviewed)	December 31, 2020 (Audited)
	JD	JD
Cash on hand	5,736	1,924
Current accounts *	27,320	11,048
	<u>33,056</u>	<u>12,972</u>

\* This item includes accounts with an annual interest rate of 1%.

### 5. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	June 30, 2021(Reviewed)	December 31, 2020 (Audited)
	JD	JD
Local company share	56	3,274
Investment in foreign investment fund*	2,198,298	1,783,511
	<u>2,198,354</u>	<u>1,786,785</u>

\* The investment was evaluated at fair value according to the latest price available by the Fund management, which is the net asset value (NAV) of the fund's as of March 31, 2021.

## 6. Other Debit Balances

This item consists of the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Lessors receivables and accrued rental revenues	273,690	230,596
Income tax deposits	17,253	17,253
Refundable deposits	27,871	27,871
Prepaid expenses	9,255	15,291
Account receivables – brokerage	1,541	1,198
Employee receivables	2,800	4,225
Cheques under collection *	45,000	-
Total	377,410	296,434
<u>Less: Provision for expected credit loss **</u>	<u>(126,667)</u>	<u>(126,667)</u>
Net	<u>250,743</u>	<u>169,767</u>

\* This item represent cheques collected form customers, which are due within six months or less.

\*\* The movement on provision for expected credit losses were as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance – beginning of the period / year	126,667	-
expected credit losses expense during the period / year	-	126,667
Balance – End of the Period / Year	<u>126,667</u>	<u>4126,667</u>

## 7. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Local Company traded shares:		
Jordan Commercial Bank (1)	12,603,316	10,152,725
	<u>12,603,316</u>	<u>10,152,725</u>
Local Company non-traded shares:		
United Group Holdings Company PLC		
– under liquidation (2)	1	1
	<u>1</u>	<u>1</u>
	<u>12,603,317</u>	<u>10,152,726</u>

1. a. Jordan Commercial Bank shares include 1,724,138 restricted shares with a fair value of JD 1,344,828 as of June 30, 2021 (JD 1,189,655 shares as of December 31, 2020) against a lawsuit raised by the public prosecutor and United Group Holdings Company.
- b. Jordan Commercial Bank shares include 10,000 restricted shares with a fair value of JD 8,700 as of June 30, 2021 (JD 6,900 as of December 31, 2020) against Board of Directors membership.
- c. Jordan Commercial Bank shares include 2,449,998 mortgaged shares with a fair value of JD 2,131,498 as of June 30, 2021 (JD 1,690,499 shares as of December 31, 2020) against some bank loans – Note (11).
2. On January 21, 2018, United Group Holding Company shares were delisted from trading due to the compulsory liquidation of the Company. Accordingly, the Company's shares were valued at JD 1 based on the Company's management assessment.

## 8. Investment in Associates

This item consists of the following:

	Country	Ownership Percentage	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	%	JD	JD
First Ramtha for Investments Company *	Jordan	22	1	1
Citadel First for Financial Investments Company **	Jordan	30.77	1	1
			<u>2</u>	<u>2</u>

\* Summarized financial information in respect of First Ramtha for Investments Company, is as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Total Non-Current Assets	905,014	905,014
Total Assets	<u>905,014</u>	<u>905,014</u>
Total Current Liabilities	-	-
Total Non- Current Liabilities ***	2,391,905	2,391,905
Total Liabilities	<u>2,391,905</u>	<u>2,391,905</u>
Net Assets	<u>(1,486,891)</u>	<u>(1,486,891)</u>

  

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Revenue	-	-
Expense	-	(63,141)
Net Profit / (Loss)	<u>-</u>	<u>(63,141)</u>

\*\* The financial statements of Citadel First for Financial Investments Company are not available for the management of First Jordan Investment Company PLC. However, an impairment was taken for the Company's entire investment balance in Citadel First for Financial Investment Company during the previous years. Moreover, the Company did not recognize its share in the losses of Citadel First for Financial Investment Company, since it has recognized an impairment in its share arising from the losses equivalent to its entire investment value.

\*\*\* Non-current liabilities represent the balance due to the Company of JD 617,306 and from the other partner of JD 1,774,599 as of June 30, 2021 and December 31, 2020.

## 9. Investment property – net

a. This item consists of the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Plots of land	29,329,399	29,329,399
Properties	21,667,286	21,583,725
	50,996,685	50,913,124
<u>Less:</u> Accumulated depreciation *	(5,190,657)	(4,909,546)
<u>Less:</u> Impairment loss	(10,050,507)	(10,050,507)
	<u>35,755,521</u>	<u>35,953,071</u>

\* The movement on the accumulated depreciation during the period / year is as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance – beginning of the period / year	4,909,546	4,332,122
Depreciation – period / year	281,111	577,424
Balance – End of the Period / Year	<u>5,190,657</u>	<u>4,909,546</u>

- b. The fair value of property investments were revaluated by six accredited real estate evaluators, the average market value of the most recent valuations prepared at the end of the year of 2020 was JD 40,499,304 The fair value of investment property is determined by comparing it to investment property with a similar market value.
- c. Additions to investment properties as of June 30, 2021 amounted to JD 83,542 (JD 57,472 for the year ended December 31, 2020).
- d. Certain plots of land within property investments with a cost of JD 9,574,098 and a fair value of JD 14,885,267 were mortgaged against granting some bank loans.
- e. The plots of land balance includes a land in an amount of JD 1,692,172 registered in the names of existing and previous Board of Directors' members as of June 30, 2021 and December 31, 2020, The registration in the names of some of Board of Directors' members is due to the land plot being located within the territory of the Jordan Valley Authority, this land may only be registered in the names of individuals holding a national identification number. The Company holds in return a written representation from the Board of Directors' members that the land ownership and return belongs to the Company. These representations were deposited with the Companies control department and the Jordan Valley Authority to save the shareholders rights.



## 10. Income Tax

### a. Tax Status

- A settlement has been reached with the Income and Sales Tax Department for the Company and its subsidiary as follows:

<u>Company's Name</u>	<u>Final Settlements Up To</u>
First Jordan Investment Company	2016
First Fuheis Investment Company	2019
First Salt Investment Company	2019
Al-Mattar Investment Company (under liquidation)	2017
Al-Tunaib for Real Estate Investment Company	2019
Pearl Hawara for Trading and Investment Company	2019
Al-Ada'a for Trading and Investment	2016 and 2018*
Al- Taher for Investment and Real Estate Development Company	2016

- \* The tax returns for the fiscal year 2017 and 2019 were submitted within the statutory period and has not yet been reviewed by the Income and Sales Tax department.

### b. Income Tax Expense

No income tax expense for the period ended June 30, 2021 and the year ended December 31, 2020 had been recognized for the Company and its subsidiaries as the result of operations were losses for the year. In the opinion of the management and its tax advisor, there is no need to book any provision against any tax obligation.

### c. Deferred Tax Assets

- The movement on the deferred tax assets during the period / year is as follows:

	<u>June 30, 2021 (Reviewed)</u>	<u>December 31, 2020 (Audited)</u>
	JD	JD
Balance - beginning of the period / year	322,460	332,019
Impairment of deferred tax assets for the period/ year	-	(9,559)
Balance - End of the Period / year	<u>322,460</u>	<u>322,460</u>

## 11. Bank Loans

This item consists of the following:

	June 30, 2021 (Reviewed)			December 31, 2020 (Audited)		
	Installments Due within One Year*	Installments Due within more than One Year	Total	Installments Due within One Year	Installments Due within more than One Year*	Total
	JD	JD	JD	JD	JD	JD
Jordan Commercial Bank (a)	137,731	4,457,009	4,594,740	338,101	4,106,355	4,444,456
Arab Jordan Investment Bank (b)	122,093	2,507,795	2,629,388	329,971	2,174,781	2,504,752
Al-Eithad Bank (c)	90,276	809,925	900,201	158,302	704,308	862,610
Egyptian Arab Land Bank (d)	111,752	112,477	224,729	140,369	89,458	229,827
	<u>461,852</u>	<u>7,887,206</u>	<u>8,349,058</u>	<u>966,743</u>	<u>7,074,902</u>	<u>8,041,645</u>

\* These amounts represent the value of the Group's liabilities as of June 30, 2021 and December 31, 2020 and, which consist of the loan principal that will fall due within a year from this date, in addition to only accrued interest as of June 30, 2021 and December 31, 2020. These amounts will be paid on the due date of the loan installments according to the contracts with the banks. Moreover, the interest on these loans is charged monthly.

- a. On September 28, 2010, Al-Ada'a for Trading and Investment (subsidiary) obtained a declining loan from Jordan Commercial Bank. On December 24, 2017, the loan was rescheduled, as to be repaid on 21 quarterly installment of JD 281,000 per installment with an interest rate of 8.5%, the first was due on June 30, 2018, and the last to be due on April 1, 2023. A first-degree mortgage of a plot of land in Al-Rabia area, which is owned by Al-Ada'a for Trading and Investment (subsidiary) with an estimated fair value of JD 4,220,800 as of the end of the year 2020. On April 9, 2019, the declining loan of JD 209,800 was increased, and the increase was used to repay the loan of Al-Fuhais Investment Company (subsidiary). Al-Ada'a for Trading and Investment Company is obliged to pay the interest and commissions payable on a quarterly premium of 14 installments of each installment of JD 285,000. The first installment is due on 30 September 2019. Other installments are due on the same date every 6 months until full payment.

During the year 2020, the Company postponed the maturity of the installments due on March 31 and September 30 for the year 2020 have to be due after the last installment of the loan. During the first half of 2021 the balance of the loan was scheduled to be repaid on 13 quarterly installments of JD 200,000 per installment including the interest starting from September 30, 2021 excluding the last installment which represents the balance of the loan on September 30, 2027.

- b. On December 6, 2012, Al- Taher for Investment and Real Estate Development Company (subsidiary) obtained a declining loan from Arab Jordan Investment Bank amounted to JD 4,200,000, at an annual interest rate of 7%. Installments including interest to be paid on 20 quarterly installments of JD 250,000 per installment, the last to be due on October 5, 2023. A total of 1,199,998 shares as of March 31, 2021 of Jordan Commercial Bank with a fair value of JD 947,998 as of March 31, 2021 in addition to a land plot of second-degree mortgage in Al-Abdali area, which is owned by Al- Taher for Investment and Real Estate Development Company (subsidiary) were mortgaged against this loan. On January 29, 2019, the loan balance was restructured, as to repay the outstanding as of the date of the restructuring with an interest under semiannual installments of JD 250,000 each and at annual interest rate of 7.75%.

The maturity of the installments due on April 5 and October 5 for the year 2020 have been postponed to be due after the last installment of the loan. The maturity of the installments due on April 5 and October 5 for the year 2021 have been postponed to be due after the last installment of the loan.

- c. On August 12, 2017, First Jordan Investment Company obtained a declining loan from Al-Eithad Bank amounted to JD 600,000, at an annual interest rate of 9.75%. Installments including interest to be paid on 24 monthly installment of JD 27,136 per installment. First installment was due on December 23, 2017, and the last to be due on November 30, 2019. A total of 1,250,000 shares of Jordan Commercial Bank with a fair value of JD 862,500 as of March 31, 2021 were mortgaged against this loan. During the year 2019, there has been an increase of JD 728,000 to the declining loan, and to be repay the outstanding balance with interest in monthly installments of JD 25,500 each, starting May 31, 2019 and the last to be due on April 30, 2023 at an interest rate of 10.25% annually. A first-class mortgage of land in Al- Tunaib, owned by First Fuheis Investment Company (subsidiary), with an estimated fair value of JD 5,030,781 as of December 31, 2020 against this increase.

During the year 2020, the company postponed the maturity of the installments due on March 31 and to be due after the last installment of the loan. During the second quarter of 2021, an annex was signed to the facilities contract under which it was agreed to pay the balance of the loan as of May 31, 2021 of JD 892,441 on that date on 60 monthly installments of JD 19,050, including interest starting from December 30, 2021 to full payment except for the last installment, which represents the residual balance of the loan and is due on November 30, 2026.

- d. On September 22, 2019 First Jordan Investment Company obtained a declining loan from Egyptian Arab Land Bank amounted to JD 250,000 with an interest rate (1.5% + PLR) which is equivalent to 11% with zero commission, and to be paid on quarterly basis. The first installment is due on December 31, 2019. The loan was granted by mortgaging a plot of land in the Shmeisani area owned by Al-Ada'a Company for Real Estate Development and Leasing (a subsidiary Company), with a fair value of JD 3,547,500 during the year 2020.

During the year 2020, the company postponed the maturity of the installments due on March 31, April 30 and May 31 of 2020 to be due after the last installment of the loan. During the first half of 2021, the loan balance was scheduled to be repaid on 7 quarterly installments, which is due on December 31, 2021 and the last installment on June 30, 2023.

## 12. Other Credit Balances

This item consists of the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Property and national contribution tax due and unpaid	1,029,775	849,192
Deposits for others	-	188,000
Chairman remuneration	66,580	71,680
Lawsuit provision	15,000	45,000
Accrued expense and payable	17,011	39,486
Others	5,352	7,475
	<u>1,133,718</u>	<u>1,200,833</u>

## 13. Accumulated Losses

In addition to the accumulated (losses), an amount of JD 322,460 is restricted from use as of June 30, 2021 and December 31, 2020 against deferred tax assets, including capitalization or distribution, except for any amounts actually realized therefrom.

An amount equivalent to the negative fair value reserve of JD 10,917,005 is restricted from use as of June 30, 2021, including capitalization, distribution, amortization of losses, or any other use, except for any amounts actually realized therefrom through sale transactions.

## 14. Related Parties Balances and Transactions

The balances and transactions with related parties were as follows:

### a. Condensed Consolidated Interim Statement of Financial Position Items:

Due from related parties:	Relationship Nature	June 30, 2021 (Reviewed)	December 31, 2020(Audited)
		JD	JD
Al-Baha for Investments Company *	Unconsolidated subsidiary	10,680,102	10,672,246
First Ramtha for Investment Company	Associate	617,338	617,305
Citadel First for Financial Investments Company	Associate	3,937,066	3,937,066
		<u>15,234,506</u>	<u>15,226,617</u>
Expected credit loss provision **		<u>(4,355,268)</u>	<u>(4,355,268)</u>
		<u>10,879,238</u>	<u>10,871,349</u>

\* The Company's ability to recover its receivables due from al-Baha for Investments Company is related to the final outcome of the lawsuit raised by Al-Baha Investments Company as disclosed in Note (17/C).

\*\* The movement on provision for expected credit losses were as follows:

		June 30, 2021 (reviewed)	December 31, 2020 (Audited)
		JD	JD
Balance – beginning of the period / year		4,355,268	4,237,066
Expected credit losses expense during the period / year		-	118,202
Balance – End of the period / Year		<u>4,355,268</u>	<u>4,355,268</u>
Due to related parties:			
	Relationship Nature	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
		JD	JD
Board of directors payables	Shareholders	36,838	26,220
		<u>36,838</u>	<u>26,220</u>
Bank loans:			
	Relationship Nature	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
		JD	JD
Jordan Commercial Bank – Note (11)	Shareholders and Board of Director Member	4,594,750	4,208,368
		<u>4,594,750</u>	<u>4,208,368</u>

**b. Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income Items:**

	For the Six Months Ended June 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Finance expenses – Jordan Commercial Bank	101,591	125,498
Executive management salaries and bonuses	73,784	73,066
	<u>175,375</u>	<u>198,564</u>

**15. Gain / (Losses) of Financial Assets at Fair Value through Profit or Loss - Net**

This item consists of the following:

	For the Six Months Ended June 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Realized gains	348	4,915
Unrealized gain / (Losses)	414,798	(1,750,346)
Dividends distributions	-	95,595
	<u>415,046</u>	<u>(1,649,836)</u>

**16. (Loss) per Share for the Period**

(Loss) per share is calculated by dividing the (loss) for the period over the weighted average number of shares during the period as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
(Loss) for the period	(54,737)	(289,890)	(351,086)	(2,324,519)
	Share	Share	Share	Share
Weighted average number of shares	75,000,000	75,000,000	75,000,000	75,000,000
	JD / Share	JD / Share	JD / Share	JD / Share
(Loss) per Share (Basic and Diluted)	<u>(0.001)</u>	<u>(0.002)</u>	<u>(0.005)</u>	<u>(0.031)</u>

#### 17. Contingent Liabilities

- a. There are cases against the Company and its subsidiaries other than those mentioned in the below paragraphs, resulted from its ordinary operations for which the related compensations and claims amounted to JD 561,634 as of June 30, 2021 and December 31, 2020. In the management opinion, the Company's position is good.
- b. The Company and others appear as defendants (companies and individuals) in a lawsuit raised by the Public Right prosecutor and United Group Holdings Company demanding a personal claim with an amount of JD 72 Million. Noting that First Jordan Investment Company owns 340,000 shares of United Group Holding as of June 30, 2021 and December 31, 2020. According to the legal counsel opinion and the Company's management, the Company's position in the legal case is good, since the Company submitted the court with defense evidence which proves that the Company did not seize any funds belonging to United Group Holding, and that the Company was not involved in any decisions issued by United Group Holding Board of Directors.
- c. Al-Baha for Investments Company (non-consolidated subsidiary) filed a lawsuit on March 15, 2014 in Dubai against Gulf General Investment Company (GGICO) and Mr. Mohammed Abdullah Juma Al-Seri, to demand for the cancellation of the partnership agreement signed between Al-Baha Investment Company, Gulf General Investment Company and others to obligate them to pay an amount of AED 84,110,000 (equivalent to JD 16,234,000 as of June 30, 2021 and December 31, 2020), as well as a compensation for the Company amounting to AED 100 Million (equivalent to JD 19,305,650 as of December 31, 2020) in addition to 12% interest from the date of the claim until full settlement, in addition to fees, expenses and attorney fees.

On February 27, 2020, Dubai Court of Cassation issued its decision assigning a company in the United Arab Emirates to inspect the land and buildings erected on it and estimate their market price. On June 27, 2021 the expert submitted his report to the court and on June 17, 2021 the court of cassation has decided a final decision in favor of Al-Baha for Investments Company which obligated the appellant to pay the company AED 84,110,000 and 5% interest from the date of the case until the final payment. Later on to the condensed consolidated interim financial information date the decision was applied on July 4, 2021 by registering a real estate execution against Gulf Public Investment Company and Mohammed Abdullah Al-Serri to pay the amount of AED 114,937,823 (equivalent to JD 22,240,469) including fees and expenses.

- d. As of the condensed consolidated interim financial information date, the Company has contingent liabilities representing bank guarantees of JD 155,000 with a cash deposit of JD 15,500 as of June 30, 2021 and December 31, 2020.

#### 18. COVID-19 Impact

The existence of Coronavirus (Covid-19) was confirmed during January 2020, which subsequently spread to many countries around the world. The World Health Organization has declared this event as a global pandemic. This epidemic is expected to have many economic impacts during the year 2021.

Management has taken into consideration these unique circumstances, and has studied the Group's risk exposures. In addition, Management has evaluated the expected effects on the Group's business and operations in order to review and assess the potential risks arising from this event, and they have concluded that there is no effect on the group going concern up until this stage. Noting that the Group has deferred some installments of bank loans during the six months as of June 30, 2021 and during 2020. The postponing of the maturity of the installments is still under process - Note (11).

The Group's management will continue to monitor this event and update its effect on the Group as a going concern, including the fair value of financial assets through the statement of profit or loss and through the statement of other comprehensive income and provision for expected credit loss against financial assets in addition to the valuation of investment properties. These matters and other relevant matters will be considered in the determination of the Group's estimates during subsequent financial periods.

#### 19. Approval of Interim Consolidated Condensed Financial Information

This interim consolidated condensed financial information were approved by the Board of Directors and authorized for issue on July 29, 2021.

20. Fair Value Hierarchy

a. The fair value of financial assets and financial liabilities of the Company specified at fair value on an ongoing basis:

Some financial assets and liabilities of the Company are measured at fair value at the end of each fiscal period. The following table shows information about how the fair value of these financial assets and liabilities is determined (valuation methods and inputs used).

Financial Assets / Financial Liabilities	Fair Value as of		Fair Value Level	Valuation Method and Inputs Used	Important Intangible Inputs	Relation between Fair Value and Significant Intangible Inputs
	June 30, 2021 (reviewed) JD	December 31, 2020 (audited) JD				
Financial assets at fair value						
Local companies traded shares	12,603,372	10,155,999	Level I	Prices issued in market values	N/A	N/A
Local companies non- traded shares	1	1	Level II	Last trading price	N/A	N/A
Foreign investment funds	2,198,298	1,783,511	Level II	Fund Manager valuation price	N/A	N/A
Total	14,801,671	11,939,511				
Financial liabilities at fair value						
Loans	8,349,058	8,041,645	Level I	Prices issued in market	N/A	N/A
Brokers payables – margin financing	523,225	523,530	Level I	Prices issued in market	N/A	N/A
Total	8,872,283	8,565,175				

There was no transfers between the first level and second level during the six months ended June 30, 2021 and the year ended December 31, 2020.

b. The fair value of assets of the Company (non-specific fair value on an ongoing basis):

We believe that the carrying value of assets in the condensed consolidated financial information of the Company approximates their fair value, as the Company's management believes that the carrying value of the items listed below approximated their fair value, due to either their short-term maturity or repricing of interest rates during the year.

	June 30, 2021		December 31, 2020		Fair Value Level
	Book Value	Fair Value	Book Value	Fair Value	
Assets with an Unspecified Fair Value :	JD	JD	JD	JD	
Property investments	35,755,251	40,499,304	35,860,736	40,499,304	Level II
Total Financial Assets with an Unspecified Fair Value	35,755,251	40,499,304	35,860,736	40,499,304	

For the above-mentioned items, the level II financial liabilities and financial assets have been determined at fair value according to the agreed-upon pricing model, which reflects the credit risk of the parties dealt with.