

To: Jordan Securities Commission
Amman Stock Exchange

Date: 15/11/2021

Subject: Quarterly Report as of September 30, 2021

Attached the company's quarterly Report of (Ihdathiat Real Estate CO) as of September 30, 2021 in English.

Kindly accept our highly appreciation and respect

Ihdathiat Real Estate CO
Ala'a Al Masri
Chairman



- To Securities depository center

السادة هيئة الأوراق المالية المحترمين
السادة بورصة عمان المحترمين

التاريخ:- 2021/11/15

الموضوع : التقرير ربع السنوي كما هو في 2021/09/30

مرفق طيه نسخة من التقرير ربع السنوي لشركة الإحداثيات العقارية كما هو بتاريخ 2021/09/30 باللغة الانجليزية.

وتفضلوا بقبول فائق الاحترام،،،

شركة الإحداثيات العقارية
رئيس مجلس الإدارة
الاء المصري



- نسخة السادة مركز إيداع الأوراق المالية

شركة الإحداثيات العقارية
المساهمة العامة المحدودة
عمان - الأردن

AL – IHDATHIAT REAL ESTATE COMPANY
PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)

30 SEPTEMBER 2021



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

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Al-Ihdathiat Real Estate Company - Public Shareholding Company (the "Company") and its subsidiaries (the "Group") as at 30 September 2021, comprising of the interim condensed consolidated statement of financial position as at 30 September 2021 and the related interim condensed consolidated statements of profit or loss and comprehensive income, changes in equity and cash flows for the nine months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

Amman – Jordan
25 October 2021

ERNST & YOUNG
Amman - Jordan

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Notes	30 September 2021 JD (Unaudited)	31 December 2020 JD (Audited)
<u>ASSETS</u>			
Non-current assets -			
Properties under development	3	3,296,252	3,298,734
Financial assets at fair value through other comprehensive income		3,475	2,893
		<u>3,299,727</u>	<u>3,301,627</u>
Current assets -			
Other current assets		8,524	10,074
Cash on hand and bank balances		1,776	739
		<u>10,300</u>	<u>10,813</u>
Total Assets		<u><u>3,310,027</u></u>	<u><u>3,312,440</u></u>
<u>EQUITY AND LIABILITIES</u>			
Equity -			
Paid in capital	1	4,486,627	4,486,627
Share discount		(589,659)	(589,659)
Statutory reserve		65,940	65,940
Voluntary reserve		68,946	68,946
Fair value reserve		(2,861)	(3,443)
Accumulated losses		(832,168)	(832,168)
Loss for the period		(14,660)	-
Total Equity		<u><u>3,182,165</u></u>	<u><u>3,196,243</u></u>
Liabilities -			
Current liabilities			
Due to related parties	4	63,212	44,304
Other current liabilities		64,650	71,893
Total liabilities		<u><u>127,862</u></u>	<u><u>116,197</u></u>
Total Equity and Liabilities		<u><u>3,310,027</u></u>	<u><u>3,312,440</u></u>

The attached notes from 1 to 8 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED)

	Note	For the three months ended 30 September		For the Nine months ended 30 September	
		2021	2020	2021	2020
		JD	JD	JD	JD
Interest income		-	-	-	26
Other revenues		907	1,007	2,786	2,496
Administrative expenses		(5,590)	(5,726)	(17,212)	(20,792)
Marketing expenses		-	(90)	(215)	(225)
Bank charges		-	-	(19)	(10)
Loss for the period		(4,683)	(4,809)	(14,660)	(18,505)
		<u>JD/ Fils</u>	<u>JD/ Fils</u>	<u>JD/ Fils</u>	<u>JD/ Fils</u>
Basic and diluted earnings per share from the loss for the period	5	(0/001)	(0/001)	(0/003)	(0/004)

The attached notes from 1 to 8 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED)

	For the three months ended 30 September		For the Nine months ended 30 September	
	2021	2020	2021	2020
	JD	JD	JD	JD
Loss for the period	(4,683)	(4,809)	(14,660)	(18,505)
Add: other comprehensive income that will not be transferred to profit or loss in subsequent periods after tax:				
Net change in fair value of financial assets at fair value through other comprehensive income	(253)	28	582	(1,109)
Total other comprehensive income for the period after tax	(253)	28	582	(1,109)
Total comprehensive income for the period	(4,936)	(4,781)	(14,078)	(19,614)

The attached notes from 1 to 8 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED)

	Share		Statutory		Voluntary		Fair value		Loss for		Accumulated		Total	
	Paid in capital	discount	reserve	reserve	reserve	reserve	the period	losses	JD	JD	JD	JD	JD	JD
For the nine months ended 30 September 2021	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance as at 1 January 2021	4,486,627	(589,659)	65,940	68,946	(3,443)	-	(832,168)	3,196,243						
Total comprehensive income for the period	-	-	-	-	582	(14,660)	-	(14,078)						
Balance as at 30 September 2021	<u>4,486,627</u>	<u>(589,659)</u>	<u>65,940</u>	<u>68,946</u>	<u>(2,861)</u>	<u>(14,660)</u>	<u>(832,168)</u>	<u>3,182,165</u>						
For the nine months ended 30 September 2020														
Balance as at 1 January 2020	4,486,627	(589,659)	65,940	68,946	(2,299)	-	(703,430)	3,326,125						
Total comprehensive income for the period	-	-	-	-	(1,109)	(18,505)	-	(19,614)						
Balance as at 30 September 2020	<u>4,486,627</u>	<u>(589,659)</u>	<u>65,940</u>	<u>68,946</u>	<u>(3,408)</u>	<u>(18,505)</u>	<u>(703,430)</u>	<u>3,306,511</u>						

The attached notes from 1 to 8 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED)

	For the Nine month ended 30 September	
	2021	2020
	JD	JD
<u>OPERATING ACTIVITIES</u>		
Loss for the period	(14,660)	(18,505)
Adjustments for -		
Depreciation	2,482	2,482
Interest income	-	(26)
Working capital changes -		
Due to related parties	18,908	3,441
Other current assets	1,550	(927)
Other current liabilities	(7,243)	2,695
Net cash flows from (used in) operating activities	1,037	(10,840)
<u>INVESTING ACTIVITIES</u>		
Interest income received	-	26
Net cash flows from investing activities	-	26
Net increase (decrease) in cash and cash equivalents	1,037	(10,814)
Cash and cash equivalents at 1 January	739	13,324
Cash and cash equivalents at the period ended	1,776	2,510

The attached notes from 1 to 8 form part of these interim condensed consolidated financial statements

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2021 (UNAUDITED)

(1) GENERAL

Al-Ihdathiat Real Estate Company - Public Shareholding Company incorporated on 18 September 2005 with an authorized capital of JD 3,000,000 divided into 3,000,000 shares at a par value of JD 1 each. The general assembly decided in its unordinary meeting held on 20 April 2015 to increase the capital from JD 3,000,000 to JD 4,070,627 as at 31 December 2015 through the issuance of 1,070,627 shares at par value of JD 1 and with an issuance discount of 400 Fils. The process of increase capital was completed on 20 August 2015. On April 12, 2017, the Securities Commission has approved the allocation of 416,000 shares from the Group's unquoted shares that amounted to 929,373 shares for Jordan Investment Trust Company, where Jordan Investment Trust Company paid an amount of JD 254,594 (0.612 JD per share) in cash so that the quoted and paid in capital becomes JD 4,486,627.

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

The Group's interim condensed consolidated financial statements are consolidated with the financial statements of Jordan Invest Company (The Parent Company).

The interim condensed consolidated financial statements were approved by the Group's Board of Directors in their meeting held on 18 October 2021.

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

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION

The interim condensed consolidated financial statements as of 30 September 2021 are prepared in accordance with International Accounting Standard 34 (Interim Financial Reporting).

The interim condensed consolidated financial statements have been presented in Jordanian Dinar which is the functional currency of the Group.

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

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual financial statements as of 31 December 2020. In addition, results of the nine-month period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

(2-2) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2020 except for the adoption of new standards effective as of 1 January 2021 shown below:

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2021 (UNAUDITED)

(2-3) BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the "Group") as at 30 September 2021. The subsidiaries that are included in the consolidated financial statements are as follows:

Company's Name	Paid in capital	Nature of activity	Percentage of Ownership		Company type
			30 September 2021	31 December 2020	
Sail Hosban Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability
Hojrat Alshamaly Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability
Khorbat Saka Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability

Control is achieved when the Group is exposed, or has rights, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

When the Group owns less than the majority of the voting rights or similar in the investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group re-assesses whether or not it controls an investee and if facts or circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of subsidiaries are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2021 (UNAUDITED)

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and profits and losses relating to transactions between members of the Groups are eliminated in full on consolidation.

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

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the cumulative translation differences;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognized in other comprehensive income items to profit or loss.

(3) PROPERTIES UNDER DEVELOPMENT

The details of this item are as follows:

	30 September 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
Plots of land (lower of cost or net realizable value)	1,230,176	1,230,176
Residential units* (at cost)	223,969	226,451
Project under construction** (at cost)	1,942,107	1,942,107
Less: Provision for impairment of real estate investments*	(100,000)	(100,000)
	3,296,252	3,298,734

- * This item includes housing units with a carrying value of JD 161,932 that consist of three apartments with a total area of approximately 220 square meters, the promise of sale of these apartments was recorded on behalf of the Group on 30 November 2011 while the ownership of these apartments was not transferred to the Group till the date of the preparation of these interim condensed consolidated financial statements. During the year ended 31 December 2020, an impairment provision amounting to JD 100,000 had been booked against real estate investments.

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2021 (UNAUDITED)

** This project represents a building under construction in Jabal Amman. Operations on this project have been halted since the beginning of the pandemic which has led to a delay in the completion date. Management has not yet decided on the completion date of the project until the date of these interim condensed consolidated financial statements.

(4) RELATED PARTIES TRANSACTIONS

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

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

	30 September 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
Due to Related Parties:		
Al-Ta'awon Company for properties management (controlled by a major shareholder) *	20,201	17,756
Jordan Invest Company (The Parent Company)	43,011	26,548
	<u>63,212</u>	<u>44,304</u>

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

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

	For the nine months ended 30 September	
	2021	2020
	JD	JD
	(Unaudited)	(Unaudited)
Rent Expense paid for Al-Ta'awon Company for Property Management (Controlled by a major shareholder)	<u>1,496</u>	<u>1,503</u>

The Group has not paid salaries and bonuses to senior executives for the periods ended 30 September 2021 and 2020.

AL-IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2021 (UNAUDITED)

(5) BASIC AND DILUTED LOSS PER SHARE FROM THE LOSS FOR THE PERIOD

	For the three months ended 30 September		For the nine months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Weighted average number of shares (Share)	4,486,627	4,486,627	4,486,627	4,486,627
Loss for the period (JD)	(4,683)	(4,809)	(14,660)	(18,505)
<hr/>				
Basic and diluted earnings per share from the loss for the period	JD/Fils	JD/Fils	JD/Fils	JD/Fils
	(0/001)	(0/001)	(0/003)	(0/004)

(6) INCOME TAX

No income tax provision was calculated for the periods ended 30 September 2021 and 2020 due to the excess of deductible expenses over the taxable income. The Company is subject to a statutory income tax rate of 20% in addition to a 1% National Contribution Tax in accordance with the Income Tax Law No. (38) of 2018.

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

The Group filed its tax returns until the year 2020. However, the Income and Sales Tax Department has not yet reviewed the accounting records until the date of these interim condensed consolidated financial statements.

(7) CORONAVIRUS SPREAD (COVID – 19) AND ITS IMPACT ON THE GROUP

The global economy has been affected by Coronavirus (COVID-19) which has consequently led to a significant disruption in global economy and various business sectors. This has in turn impacted the real estate investment sector, which has been affected by the suspension of business activities, including properties under development, in addition to the impact of the imposed quarantine, as well as other government procedures to combat the virus. Some of the Group's operational activities have been affected by current circumstances which have had a negative impact on the Group's business results for the nine months ended 30 September 2021 and 2020.

Projects under development

Operations on the Jabal Amman project were suspended at the start of the pandemic, which led to delaying the completion date of the project. Management has not yet decided on the completion date of the project until the date of these interim condensed consolidated financial statements.

(8) COMPARATIVE FIGURES

Some figures related to the interim condensed consolidated financial statements for the year 2020 were reclassified to correspond with those of 30 September 2021 presentation. The reclassification has had no effect on the loss and equity of the year 2020.