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

الإحداثيات العقارية
IHDATHIAT

To: Jordan Securities Commission
Amman Stock Exchange

السادة هيئة الاوراق المالية المحترمين
السادة بورصة عمان المحترمين

Date:

التاريخ: ٣/٣/٢٠١٧

Subject: Audited financial statements for the fiscal year ended 31/12/2016

الموضوع : البيانات المالية السنوية المدققة للسنة المنتهية في 2016/12/31

Please find attached the audited financial statements of (Ihdathiat Real estate CO) for the fiscal year ended 31/12/2016

مرفق طيه نسخة من البيانات المالية المدققة لشركة (الإحداثيات العقارية) عن السنة المالية المنتهية في 2016/12/31

Regards

وتفضلوا بقبول فائق الاحترام،،،

Ala'a Al Masri	**Nadeen Al Qutieshat**
Chairman	**Vice chairman**

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

- To Securities depository center

- نسخة السادة مركز إيداع الأوراق المالية

بورصة عمان
الدائرة الإدارية والمالية
الديوان
٠٦ نيسان ٢٠١٧
الرقم المتسلسل: ....
رقم الملف: ٦٢٤٢
الجهة المختصة: الأت الإدراج والعمليات

الإدارة: مبنى شركة الثقة للإستثمارات الأردنية - جبل عمان - الدوار الثالث - شارع عبد المنعم رياض - بناية رقم (٦٨) - هاتف: ٥٥٠٨٩٠٠ - فاكس: ٥٥٠٨٨٧٣ - ص.ب: ٩٢٥٢٣٩ عمان ١١١٩٠ الأردن
Jordan Investment Trust P.L.C - Jabal Amman - Third Circle - Abdel Al Min'am Riad Street - Building No 68 - Tel: 5508900 - Fax: 5508873 - P.O.Box 925239 Amman 11190 Jordan
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AL – IHDATHIAT REAL ESTATE COMPANY
PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2016

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ihdathiat Real Estate (a public shareholding company), which comprise the consolidated statement of financial position as at 31 December 2016, consolidated statement of income, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements. including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Emphasis of matter

Without qualifying our opinion and as disclosed in note (4) to the consolidated financial statements, investment properties include housing units with an amount of JD 161,932 that are not registered in the name of the Group as of 31 December 2016 which includes promise for sale to the Group.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2016. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

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

Impairment of Investment Properties

Investment property makes up 97% of Group's total assets as at 31 December 2016. Investment property is measured at cost less accumulated depreciation and less accumulated impairment losses. As there are some indications of impairment for these investments, the annual impairment test was significant to our audit.

Our audit procedures included, amongst others, an evaluation of the group's policies and procedures to identify triggering events for potential impairment of investment properties including obtaining valuations reports conducted by independent valuation experts. We have also considered the independence and competency of the valuation experts.

The Group's disclosure about investments properties is included in note 4.

Other information included in the Company's 2016 annual report.

Other information consists of the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the [consolidated] financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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Report on Other Legal and Regulatory Requirements

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

Ernst & Young / Jordan

Ernst & Young

Mohammad Ibrahim Al Karaki
License No. 882

Amman – Jordan
14 March 2017

AL – IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2016

ASSETS	Notes	2016	2015
		JD	JD
Non-current assets -			
Property and equipment	3	127	268
Properties under development	4	3,411,969	3,415,278
Financial assets at fair value through other comprehensive income		4,424	4,548
		3,416,520	3,420,094
Current assets -			
Other current assets	5	4,452	5,921
Cash and bank balances	6	73,850	72,188
		78,302	78,109
Total Assets		3,494,822	3,498,203
EQUITY AND LIABILITIES			
Shareholders' equity			
Paid in capital	1	4,486,627	4,070,627
Share capital issuance discount		(589,659)	(428,251)
Statutory reserve		65,940	65,940
Voluntary reserve		68,946	68,946
Fair value reserve		(1,912)	(1,788)
Accumulated losses		(624,347)	(580,274)
Total Equity		3,405,595	3,195,200
Liabilities -			
Current liabilities			
Accounts payable		-	216,484
Due to related parties	8	30,395	26,034
Other current liabilities	7	58,832	60,485
Total liabilities		89,227	303,003
Total Equity and Liabilities		3,494,822	3,498,203

The attached notes from 1 to 16 form part of these consolidated financial statements

AL – IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016	2015
		JD	JD
Interest income		2,002	3,664
Dividends		176	77
Other revenues		3,271	11,264
Administrative expenses	9	(39,017)	(50,432)
Marketing expenses		(879)	(7,797)
Finance cost		(9,626)	(45,151)
Loss for the year		(44,073)	(88,375)
		JD/Fils	JD/Fils
Basic and diluted earnings per share from the loss for the year	12	(0/01)	(0/026)

The attached notes from 1 to 16 form part of these consolidated financial statements

AL – IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	JD	JD
Loss for the year	(44.073)	(88.375)
Other comprehensive income net of tax that will not to transferred to profit or loss in subsequent periods :		
Change in fair value of financial assets at fair value through other comprehensive income	(124)	117
Total other comprehensive income for the year after tax	(124)	117
Total other comprehensive income for the year	(44,197)	(88,258)

The attached notes from 1 to 16 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Paid in capital	Share capital issuance discount	Statutory reserve	Voluntary reserve	Fair value reserve	Accumulated losses	Total
For the year ended 31 December 2016	JD	JD	JD	JD	JD	JD	JD
As at 1 January 2016	4,070,627	(428,251)	65,940	68,946	(1,788)	(580,274)	3,195,200
Total comprehensive income	-	-	-	-	(124)	(44,073)	(44,197)
Capital increase (note 1)	416,000	(161,408)	-	-	-	-	254,592
Balance at 31 December 2016	4,486,627	(589,659)	65,940	68,946	(1,912)	(624,347)	3,405,595
For the year ended 31 December 2015							
As at 1 January 2015	3,000,000	-	65,940	68,946	(1,905)	(469,798)	2,663,183
Total comprehensive income	-	-	-	-	117	(88,375)	(88,258)
Capital increase (note 1)	1,070,627	(428,251)	-	-	-	-	642,376
Capital increase expenses	-	-	-	-	-	(22,101)	(22,101)
Balance at 31 December 2015	4,070,627	(428,251)	65,940	68,946	(1,788)	(580,274)	3,195,200

The attached notes from 1 to 16 form part of these consolidated financial statements

AL – IHDATHIAT REAL ESTATE COMPANY - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016	2015
		JD	JD
OPERATING ACTIVITIES			
Loss for the year		(44,073)	(88,375)
Adjustments for -			
Depreciation		3,450	2,052
Interest income		(2,002)	(3,664)
Finance cost		9,626	45,151
Working capital changes -			
Related parties		4,361	25,548
Account payable		(216,484)	(798,266)
Other current assets		1,469	2,638
Other current liabilities		(1,653)	24,961
Income tax paid		-	(16,633)
Net cash flows used in operating activities		(245,306)	(806,588)
INVESTING ACTIVITIES			
Interest income received		2,002	3,664
Net cash flows from investing activity		2,002	3,664
FINANCING ACTIVITIES			
Capital increase		254,592	642,376
Capital increase expenses		-	(22,102)
Finance cost		(9,626)	(45,151)
Net cash flows from financing activities		244,966	575,123
Net increase (decrease) in cash and cash equivalents		1,662	(227,801)
Cash and cash equivalents at 1 January		72,188	299,989
Cash and cash equivalents at 31 December	6	73,850	72,188

The attached notes from 1 to 16 form part of these consolidated financial statements

(1) GENERAL

Al-Ihdathiat Real Estate Company - Public Shareholding Company (the "Company") incorporated on 18 September 2005 with an authorized capital pf 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 of 31 December 2015 through the issuance of 1,070,627 shares at par value of JD 1 and with an issuance discount of 400 cents.

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

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

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

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

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

The consolidated financial statements have been presented in Jordanian Dinars "JD" which is the functional currency of the Group.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Al-Ihdathiat Real Estate Company (the company") and its subsidiaries (the "Group") as at 31 December 2016:

Company's Name	Paid in capital	Nature of activity	Percentage of Ownership		Company type
			2016	2015	
Sail Hosban Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability
Hojrat Alshamaly Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability
Khorbat Saka Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability

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

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

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

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

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

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

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

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

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

CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2015 except for the followings:

Equity Method in Separate Financial Statements (Amendments to IAS 27 and IFRS 1)
In August 2014, the IASB amended IAS 27 Separate Financial Statements which restore the option for entities, in the separate financial statements, to account for investments in subsidiaries, associates and joint ventures using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

IAS 1 *Presentation of Financial Statements – Amendments to IAS 1*
The amendments to IAS 1 include narrow-focus improvements related to:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income (OCI) arising from equity accounted investments

Investment entities (Amendments to IFRS 10 and IAS 28)

The amendments address the issues arising in practice in the application of the investment entities consolidation exception and clarify that:

- The exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity: The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

Amendments to IAS 16 and IAS 38: *Clarification of Acceptable Methods of Depreciation and Amortization*

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

Amendments to IFRS 11 *Joint Arrangements: Accounting for Acquisitions of Interests*

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation.

The implementation of the new amendments did not have impact on the Group's financial position or performance.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, less accumulated depreciation and any impairment in value. Land is not depreciated. Depreciation is calculated on a straight-line basis using annual depreciation rates shown below:

	%
Furniture and fixtures	10
Computers	20
Electronics Equipment	15
Vehicles	15

When the recoverable amount of any of the property and equipment is lower than that of the net book value, he value is reduced to the recoverable value and the decline in value is recorded in the consolidated income statement. The property and equipment are written off when disposed of when there are no expected future benefits.

The useful life and depreciation method are reviewed on a regular basis to ensure that the method and period of consumption commensurate with the expected economic benefits of property and equipment.

PROPERTIES UNDER DEVELOPMENT

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

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

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

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

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

PROVISIONS

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

INCOME TAX

Tax expenses represent accrued taxes and deferred taxes.

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

REVENUE AND EXPENSES RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

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

Other revenues are recognized on an accrual basis.

Expenses are recognized on an accrual basis.

IMPAIRMENT OF NON-FINANCIAL ASSETS

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

FAIR VALUE MEASUREMENT

The Group evaluates its financial instruments such as financial assets at fair value through other comprehensive income at the date of the financial statements. Also, the fair value of financial instruments is disclosed in Note 13.

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

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

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have accrued between levels in the hierarchy by reassessing categorization (based on the lowest level input that significant to the fair value measurement as a whole) at the end of each reporting period.

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

FOREIGN CURRENCIES

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

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

CASH AND CASH EQUIVALENT

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

USE OF ESTIMATES

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

3) PROPERTY AND EQUIPMENT

	Furniture and fixtures	Computers	Electronic equipments	Vehicles	Total
2016 -	JD	JD	JD	JD	JD
Cost:					
Balance at 1 January 2016	3,936	4,054	2,764	6,900	17,654
Balance at 31 December 2016	3,936	4,054	2,764	6,900	17,654
Accumulated depreciation:					
Balance at 1 January 2016	3,673	4,053	2,761	6,899	17,386
Depreciation charged for the year	141	-	-	-	141
Balance at 31 December 2016	3,814	4,053	2,761	6,899	17,527
Net book value:					
at 31 December 2016	122	1	3	1	127
2015 -					
Cost:					
Balance at 1 January 2015	3,936	4,054	2,764	6,900	17,654
Balance at 31 December 2015	3,936	4,054	2,764	6,900	17,654
Accumulated depreciation:					
Balance at 1 January 2015	3,281	4,053	2,761	6,899	16,994
Depreciation charged for the year	392	-	-	-	392
Balance at 31 December 2015	3,673	4,053	2,761	6,899	17,386
Net book value:					
at 31 December 2015	263	1	3	1	268

(4) PROPERTIES UNDER DEVELOPMENT

The details of this item are as follows:

	2016	2015
	JD	JD
Lands (lower of cost or net realizable value)	1,230,176	1,230,176
Residential units *(at cost)	239,409	242,718
Project under construction (at cost)	1,942,384	1,942,384
	3,411,969	3,415,278

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

(5) OTHER CURRENT ASSETS

	2016	2015
	JD	JD
Refundable deposits	750	750
Others	3,702	5,171
	4,452	5,921

(6) CASH AND BANK BALANCES

The details of this item are as follows:

	2016	2015
	JD	JD
Cash on hand	59	180
Bank deposits*	73,379	71,463
Current accounts	412	545
	73,850	72,188

* This item represent bank deposits in Jordanian Dinars, renewed on monthly basis with an annual average interest rate approximately 2.75% during 2016 (2015: 2.5%:).

(7) OTHER CURRENT LIABILITIES

	2016	2015
	JD	JD
Shareholders deposits	53,742	53,530
Accrued expenses	3,364	6,670
Others	1,726	285
	58,832	60,485

(8) RELATED PARTIES TRASACTIONS

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

Transactions with related parties included in the statement of balance sheet are as follows:

	2016	2015
	JD	JD
Related parties		
Al-Ta'awon Company for property management (controlled by major shareholder)*	6,378	3,292
Jordan invest Company (The Parent Company)	24,017	22,742
	30,395	26,034

The group rents its offices from Al-Ta'awon Company for Property Management with on annual rent amount of 2,000 JOD for the years 2016 and 2015.

The group has not paid salaries and bonuses to senior executives for the years 2016 and 2015.

Subsidiaries

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

Company's Name	Paid in capital	Nature of activity	Percentage of Ownership		Company type
			2016	2015	
Sail Hosban Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability
Hojrat Alshamaly Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability
Khorbat Saka Real Estate Company	1,000	Real estate investment	100%	100%	Limited Liability

Companies have significant influence on the group.

Jordan Invest Company has significant influence on the group where have 54% from the Group's capital as 31 December 2016 (31 December 2015: 54%).

(9) ADMINISTRATIVE EXPENSES

The details of this item are as follows:

	2016	2015
	JD	JD
Salaries and wages	5,140	4,755
Fees, licenses, stamps and subscription	7,050	7,115
Legal and professional fees	9,412	18,039
Stationary and publications	1,694	3,035
Post and telephone	2,837	2,918
Rent	2,000	2,000
Vehicles expenses	900	492
Depreciation	3,450	2,052
Security	2,835	3,121
Other	3,699	6,905
	39,017	50,432

(10) INCOME TAX

The income tax provision was not calculated for the year ended 31 December 2016 and 2015 due to the increase in the deductible expenses on the taxable income, according to the income tax law No. (34) for the year 2014.

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

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

(11) LAW SUITS AGAINST THE GROUP

The group was a defendant in a case that amounted to JD 1,108,577 as at 31 December 2014 and it's represented with a financial claim, related to a partnership agreement. On 4 February 2015 the group signed a settlement agreement of with the plaintiff, where he was paid an amount of JD 1,008,000, The group paid an amount of JD 793,500 during the year 2015, the remaining balance was paid during the year 2016, As a return the Group obtained a final settlement that waives the plaintiff's rights from the partnership agreement and its related appendices, as well as from any results of judicial agencies that were submitted by him to the Group.

(12) EARNINGS PER SHARE

	2016	2015
Loss for the year (JD)	(44,073)	(88,375)
Weighted average number of shares (Share)	4,370,375	3,390,119
	JD/Fils	JD/Fils
Basic and diluted earnings per share (JD) from the loss for the year	(0/01)	(0/026)

(13) FAIR VALUE

Fair Value of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash on hand and banks, short term deposits, receivables, some other current assets and financial assets at fair value through other comprehensive income. Financial liabilities consist of account payable, and some other current liabilities.

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

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

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

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

(14) RISK MANAGEMENT

Interest rate risk

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

The Group is exposed to interest rate risk on its interest bearing assets and liabilities such as Bank Deposits.

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

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

2016- Currency	*Increase (decrease) in basis points*	*Effect on profit* *JD*
Jordanian Dinar	(100)	(734)
Jordanian Dinar	100	734

2015- Currency	*Increase (decrease) in basis points*	*Effect on loss* *JD*
Jordanian Dinar	(100)	(715)
Jordanian Dinar	100	715

Credit risk

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

Liquidity risk

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

Currency risk

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

(15) CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the current year. Capital comprises of paid in capital, issuance discount, statutory reserve, voluntary reserve and fair value reserve and accumulated losses and is measured at JD 3,405,595 as at 31 December 2016 (2015: JD 3,195,200)

(16) STANDARDS AND INTERPRETATION ISSUED BUT NOT YET EFFECTIVE

IFRS 9 Financial Instruments

During July 2014, the IASB issued IFRS 9 "Financial Instruments" with all the three phases. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement". The Company has implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The new version of IFRS 9 will be implemented at the mandatory date on 1 January 2018, which will have an impact on the recognition and measurement of financial assets.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2018, and early adoption is permitted.

IFRS 16 Leases

During January 2016, the IASB issued IFRS 16 "Leases" which sets out the principles for the recognition, measurement, presentation and disclosure of leases.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 introduced a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted.

IAS 7 Disclosure Initiative – Amendments to IAS 7

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The amendments will be effective for annual periods beginning on or after 1 January 2017, with early application permitted. The application of amendments will result in adding limited amount of disclosure information.