



ARAB  
PHOENIX  
HOLDINGS  
فينيكس  
العربية  
القابضة

التاريخ : 31.07.2017  
الرقم : ف - ع - ر م - ٢١٨ - 2017

السادة بورصة عمان المحترمين،

الموضوع: البيانات المالية الموحدة كما في 30 حزيران 2017

تحية وبعد،،،

بالإشارة الى الموضوع أعلاه، نرفق لكم طيه البيانات المالية للسنة أشهر المنتهية كما في 30-06-2017 باللغة الانجليزية والمعتمدة من قبل مجلس إدارة شركة فينيكس العربية القابضة والمراجعة من قبل مدقق حساباتنا القانوني.

وتفضلوا فائق الاحترام،،،

الرئيس التنفيذي  
م. طلال يعيش



بورصة عمان
الدائرة الإدارية والمالية
التدوين
٢١ - ٢٠١٧
4184
الرقم التسلسلي
51239
رقم الملف
211461
الجهة المختصة

**ARAB PHOENIX HOLDINGS COMPANY  
(PREVIOUSLY TAAMEER JORDAN HOLDINGS)  
(PUBLIC SHAREHOLDING COMPANY  
– HOLDING COMPANY)  
AND IT'S SUBSIDIARIES (THE GROUP)  
AMMAN – JORDAN**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL  
INFORMATION FOR THE SIX MONTHS  
ENDED JUNE 30, 2017**

**TOGETHER WITH THE INDEPENDENT AUDITOR'S  
REPORT ON THE REVIEW OF THE CONDENSED  
CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**ARAB PHOENIX HOLDINGS COMPANY  
(PREVIOUSLY TAAMEER JORDAN HOLDINGS)  
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)  
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AMMAN – JORDAN**

**FOR THE SIX MONTHS ENDED JUNE 30, 2017**

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<b>Contents</b>	<b>Page</b>
Independent auditor's report on the review of the condensed consolidated interim financial information	1-2
Condensed consolidated interim statement of financial position	3
Condensed consolidated interim statement of profit or loss and other comprehensive income	4
Condensed consolidated interim statement of changes in shareholders' equity	5
Condensed consolidated interim statement of cash flows	6
Notes to the condensed consolidated interim financial information	7-19



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A translated version from the Original Arabic conclusion.

**Independent Auditor's Report on the Review of the Condensed Consolidated Interim  
Financial Information**

**To the General Assembly of  
Arab Phoenix Holdings Company  
(Previously Taameer Jordan Holdings)  
(Public Shareholding Company – Holding Company)  
And its subsidiaries (the group)  
Amman – Jordan**

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Arab Phoenix Holdings Company (Public Shareholding Company – Holding Company) and its subsidiaries (“the Group”)**, as at June 30, 2017 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the six months period then ended. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard number (34) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

**Scope of Review**

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

**Basis for qualified conclusion**

- Trade receivables and other debit balances, trade payables and other credit balances, and advance payments received against sales in the condensed consolidated interim financial information include balances with an approximate amount as of June 30, 2017 JOD 2,6 Million ( December 31, 2016: JOD 2,6 Million), JOD 2,9 Million (December 31, 2016: JOD 2,9 Million) and JOD 12,1 Million ( December 31, 2016: JOD 12,5 Million), respectively for which we did not receive confirmations and we were unable to obtain sufficient and appropriate review evidence through the performance of alternative review procedures to verify the existence, accuracy and the recoverability of these balances, knowing that management has taken action to reduce the unconfirmed balances by an approximate amount of JOD 7,5 million during the year 2016, furthermore we have been informed by the Group's management that there are no sufficient information available in relation to these balances up to date and that management is in the process to secure these information, therefore we can't determine whether any necessary adjustments are required to the condensed consolidated interim financial information.



### **Qualified Conclusion**

Based on our review and except for the possible effects of what is mentioned in the basis of qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information does not present fairly all material respects the condensed consolidated interim financial position of **the group** as of June 30, 2017 and its condensed consolidated interim financial performance and its condensed consolidated interim cash flow for the period then ended, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

### **Emphasis of matter paragraph**

Without further qualifying our conclusion, we draw attention to note (16) which states that there are restrictions over the Group's movable and immovable funds due to lawsuits raised against the Group by the local Jordanian Courts for the benefit of different parties, also the Group accumulated losses reached JOD 33 Million as of June 30, 2017, equivalent to 38% of the group capital (December 31, 2016 : JOD 32,6 Million), in addition to a deficit in the Group's working capital with an approximate amount of JOD 23,9 Million (December 31, 2016 : JOD 23.6 Million). In addition the accumulated losses for some of the subsidiaries companies exceeded its paid up capital as of June 30, 2017. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern, however the Group complied with the most of 2016 future plan items to handle the above conditions and to ensure the Group's continuity, the group has provided us with its plan for the year 2017 for the same objective as stated on Note (17), accordingly management has prepared the condensed consolidated interim financial information on the going concern basis.

**Kawasmy and Partners**  
**KPMG**

Hatem Kawasmy  
License no. (656)

Amman - Jordan  
July 25, 2017



**ARAB PHOENIX HOLDINGS COMPANY  
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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

*Jordanian Dinar*

		<b>As of June 30, 2017 (Reviewed not audited)</b>	<b>As of December 31, 2016 (Audited)</b>
<b>Assets</b>	<b>Note</b>		
<b>Current assets</b>			
Cash and cash equivalents		773,091	1,160,699
Trade receivables and other debit balances		3,182,370	3,021,677
Inventory	6	3,196,502	3,208,735
Residential Villas inventory ready for sale		509,491	-
Due from related party	7	1,001,870	1,001,870
		<b>8,663,324</b>	<b>8,392,981</b>
Assets held for sale			845,877
<b>Total current assets</b>		<b>8,663,324</b>	<b>9,238,858</b>
<b>Non-current assets</b>			
Property and equipment	8	41,174	46,375
Projects - Factories under construction	9	2,171,727	10,314,448
Investment in associate company	10	3,291,644	3,296,728
Lands inventory		10,895,629	10,895,629
Investments property	11	8,142,721	-
Financial assets at fair value through other comprehensive income		16,062	16,009
Lands under development and housing projects under construction	12	53,108,228	53,262,544
<b>Total non-current assets</b>		<b>77,667,185</b>	<b>77,831,733</b>
<b>Total assets</b>		<b>86,330,509</b>	<b>87,070,591</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade payables and other credit balances		6,883,812	7,085,715
Advance payments received against sales		20,786,977	20,766,477
Due bank loan	13	190,393	284,118
Income tax provision	14	2,359,908	2,383,664
Lawsuits provision	15	2,441,690	2,375,911
<b>Total current liabilities</b>		<b>32,662,780</b>	<b>32,895,885</b>
<b>Total liabilities</b>		<b>32,662,780</b>	<b>32,895,885</b>
<b>Shareholders' equity</b>			
Paid up capital	1	86,840,292	86,840,292
Fair value reserve		(272,005)	(272,058)
Excess of purchase cost over the book value of the owned shares in subsidiary		183,444	183,444
Accumulated losses		(33,084,002)	(32,576,972)
<b>Net shareholders' equity</b>		<b>53,667,729</b>	<b>54,174,706</b>
<b>Total liabilities and shareholders' equity</b>		<b>86,330,509</b>	<b>87,070,591</b>

The companying notes on pages (7) to (19) are an integral part of these condensed consolidated interim financial information.

The condensed consolidated interim financial information on pages from (3) to (19) were approved by the board of directors on 25 July, 2017.

**ARAB PHOENIX HOLDINGS COMPANY  
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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

<i>Jordanian Dinar</i>	Note	For the three months ended on June 30,		For the six months ended on June 30,	
		2017	2016	2017	2016
		(Reviewed not audited)		(Reviewed not audited)	
Residential villa's sales net loss -Al Andalusia project		-	(59,039)	-	(169,424)
Company's share from associate company operating results	10	(2,282)	(5,789)	(5,084)	(7,319)
Administrative expenses		(215,909)	(223,782)	(499,188)	(407,307)
Other revenues		4,282	39,971	18,137	40,815
Projects under construction expenses		-	(33,253)	-	(68,986)
Gain from sale of held for sale assets		70,656	-	70,656	-
Lawsuits provision (expenses) surplus	15	(92,496)	306,756	(91,551)	762,128
<b>(Loss) Profit for the period before income tax</b>		<b>(235,749)</b>	<b>24,864</b>	<b>(507,030)</b>	<b>149,907</b>
Income tax expense for the period		-	-	-	-
Previous years income tax expense		-	(135,945)	-	(135,945)
<b>Total (Loss) profit for the period</b>		<b>-</b>	<b>(111,081)</b>	<b>(507,030)</b>	<b>13,962</b>
<b>Other comprehensive income Items that will never be reclassified to profit or loss statement:</b>					
Change in fair value for financial assets at fair value through other comprehensive income		(373)	(320)	53	906
<b>Total comprehensive income for the period</b>		<b>(236,122)</b>	<b>(111,401)</b>	<b>(506,977)</b>	<b>14,868</b>
<b>Basic and diluted profit (loss) per share</b>		<b>(0,0027)</b>	<b>(0,00128)</b>	<b>(0,00584)</b>	<b>0,0001</b>

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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Paid up capital	Fair value reserve	Excess of purchase cost over the book value of the owned shares in subsidiary	Accumulated losses	Net Shareholders' Equity
<i>Jordanian Dinar</i>					
<b>Changes for the six months ended June 30, 2017</b>					
<b>(Reviewed not audited)</b>					
Balance as at January 1, 2017	86,840,292	(272,058)	183,444	(32,576,972)	54,174,706
Loss for the period	-	-	-	(507,030)	(507,030)
Other comprehensive income items	-	53	-	-	53
<b>Balance as of June 30, 2017</b>	<b>86,840,292</b>	<b>(272,005)</b>	<b>183,444</b>	<b>(33,084,002)</b>	<b>53,667,729</b>
<b>Changes for the six months ended June 30, 2016</b>					
<b>(Reviewed not audited)</b>					
Balance as at January 1, 2016	86,840,292	(272,805)	183,444	(32,296,564)	54,454,367
Profit for the period	-	-	-	13,962	13,962
Other comprehensive income items	-	906	-	-	906
<b>Balance as of June 30, 2016</b>	<b>86,840,292</b>	<b>(271,899)</b>	<b>183,444</b>	<b>(32,282,602)</b>	<b>54,469,235</b>

According to the Jordanian Securities Commission instructions the negative value of the cumulative change in fair value included in the retained earnings is prohibited from distribution to shareholders.

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**ARAB PHOENIX HOLDINGS COMPANY  
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AMMAN – JORDAN**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW**

<i>Jordanian Dinar</i>	<i>Note</i>	<b>For the Six Months Ended June 30,</b>	
		<b>2017</b>	<b>2016</b>
		<b>(Reviewed not audited)</b>	
<b>Cash flows from operating activities:</b>			
(Loss) Profit for the period before Income tax		(507,030)	149,907
<b>Adjustments:</b>			
Depreciation		7,301	59,027
Company's share from associate company operating results	10	5,084	7,319
Gain from sale of held for sale assets		(91,381)	-
Expense (surplus) lawsuits provision		91,551	(762,128)
(Surplus) income tax provision	14	-	(5,414)
		<b>(494,475)</b>	<b>(551,289)</b>
<b>Changes in working capital items:</b>			
Inventory		12,233	158,912
Trade receivables and other debit balances		(160,693)	158,922
Trade payables and other credit balances		(201,903)	(189,111)
Advance payments received against sales		20,500	(1,515,556)
Proceeds from sale of lands under development and housing projects under construction		-	2,706,939
Lands under development and projects under construction		(355,175)	-
Proceeds from sale of held for sale assets		937,258	-
<b>Cash flows (used in) from the operating activities</b>		<b>(242,255)</b>	<b>768,817</b>
Income tax paid		(23,756)	-
Lawsuits provision paid		(25,772)	(119,104)
<b>Net Cash flows (used in) from the operating activities</b>		<b>(291,783)</b>	<b>649,713</b>
<b>Cash flows from investing activities:</b>			
Purchase of property and equipment		(2,100)	(11,806)
<b>Net cash flows from used in investing activities</b>		<b>(2,100)</b>	<b>(11,806)</b>
<b>Cash flows from financing activities:</b>			
Due bank loan		(93,725)	-
<b>Net cash flows used in financing activities</b>		<b>(93,725)</b>	<b>-</b>
Net change in cash and cash equivalents		(387,608)	637,907
Cash and cash equivalents at the beginning of the period		1,160,699	45,274
<b>Cash and cash equivalents at the end of the period</b>		<b>733,091</b>	<b>683,181</b>

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

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**1) GENERAL**

Taameer Jordan holdings public shareholding company "The Company" was established and registered in the ministry of industry and trade of Jordan under no. (378) on December 19, 2005. The authorized paid up capital amounted 212 million shares (1 JOD /share) and paid up capital amounted to JOD 211,982,573 as of December 31, 2014.

The General Assembly decided in its extraordinary meeting held on April 30, 2007 to change the company's legal status to become Taameer Jordan Holdings public shareholding company (holding company).

The general assembly decided in its extraordinary meeting held on April 18, 2015 to decrease the company's capital through amortizing the accumulated losses amounted to JOD 125,142,281 as of December 31, 2014 from its paid up capital 211,982,573 JOD/Share, accordingly paid up capital after decrease is now amounted to 86,840,292 JOD/Shares, The Company completed the capital decrease procedures in the ministry of industry and trade of Jordan during 2015.

The general assembly decided in its extraordinary meeting held on April 12, 2017 to change the Company's name, the board of directors completed the related procedures at the Companies Control Department to change the Company's name to be (Arab Phoenix Holdings Company) previously Taameer Jordan Holdings.

The Company's Head office is located in Amman – Jordan, Um Othainah.

The condensed consolidated interim financial information were approved by the Board of Directors on its meeting held on July 25, 2017.

**The main objectives of the Company are:**

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

**2) BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**(a) Statement of compliance**

- The condensed consolidated interim financial information for the six monthes ended on June 30, 2017 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

- These condensed consolidated interim financial information should be read with the consolidated financial statements for the year ended December 31, 2016. As well as the financial performance for the condensed consolidated interim financial period ended June 30, 2017 does not necessarily give an indication for the expected financial performance for the year that will be ending on December 31, 2017. In addition, no appropriation has been made on the profit for the period to reserves, which will be appropriated in the annual consolidated financial statements at the end of the year 2017.
- The considerations of measurement and recognition were applied in the condensed interim financial statements as of December 31, 2016, moreover, the Company did not have transactions effected be seasonality events during the year.

**(b) Basis of condensed consolidated interim financial information consolidation**

The condensed consolidated interim financial information comprise the condensed consolidated interim financial information of Arab phoenix Holdings (the parent company) and its subsidiaries, which are subject to its control. Subsidiaries are entities controlled by the Group.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial information of the subsidiaries are included in the consolidated financial information from the date on which controls commences until the date on which control ceases.

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AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

The Company owns the following subsidiaries as of June 30, 2017:

<u>Company Name</u>	<u>Authorized Capital</u>	<u>Paid up capital</u>	<u>Ownership %</u>	<u>Nature of Operation</u>	<u>Country of operation</u>
Al- Andalusia company for Tourist Resorts and Housing projects	6,000,000	6,000,000	%100	Construction, management and ownership of hotels and resorts, buying lands and construction of projects and re-sale activities.	Amman-Jordan
Al- Qubas real estate development Company	2,000,000	2,000,000	%100	Purchase and development of lands, construction of housing projects for re-sale and rent activities.	Amman-Jordan
Tiraz for Construction	200,000	100,000	%100	Implementation all Taameer Jordan Holding company projects and manage the construction of these projects.	Amman-Jordan
Al- Madareon Lil Senat AlKharasanih	200,000	100,000	%100	Preparation and processing of concrete molds and prefabricated concrete industries.	Amman-Jordan
Al- Madareon Lil Senat Al-tashkeileih	30,000	15,000	%100	Manufacturing and forming a timber to manufacture doors and furniture, and manufacturing and pulling aluminum and plastic windows.	Amman-Jordan
Tamear For investment	30,000	15,000	%100	Construction of housing projects of all types, construction, management and ownership of hotels and resorts.	Amman-Jordan
Al- Rawabet for real estate development	30,000	15,000	%100	Construction of trading complexes and renting, buying and selling of real estates and lands	Amman-Jordan
Red Sea Resort for real estate Development	30,000	15,000	%100	Construction of housing projects and trading complexes, buying and selling of real estates and lands after development, Construction, management and ownership of hotels and resorts	Amman-Jordan
Tanfeeth for construction	300,000	300,000	%100	Implementation of construction contracts and specializing in Electro mechanic business.	Amman-Jordan

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

The following table represents the financial position and financial performance of the subsidiaries as of June 30, 2017:

<i>Jordanian Dinar</i>	As of June 30, 2017 (Reviewed not audited)			
	Total Assets	Total Liabilities	Total Revenue	Profit (Loss) for the period
Al-Andalusia Company for Tourist Resorts and Housing projects	31,356,251	9,123,306	-	(20,467)
Al- Qubas real estate development Company	29,096,566	22,376,508	-	(102,225)
Al Tiraz for Construction	3,898,163	723,469	-	(2,534)
Al- Madareon Lil Senat AlKharasanih	8,647,467	18,593,217	-	36,761
Al- Madareon Lil Senat Al- tashkeilieh	2,543,129	5,925,782	-	(18,479)
Tamear For investment	5,976,765	18,789,232	-	(16,592)
Al- Rawabet for real estate development	141,830	308,169	-	(727)
Red Sea Resort for real estate Development	30,446,289	26,057,848	-	(1,966)
Tanfeeth for construction	5	423,329	-	(16,976)

The results of the subsidiary are consolidated in the consolidated statement of profit or loss and other comprehensive income at the date of acquisition, which is the date that actual control is obtained over the subsidiary.

The parent company controls subsidiaries when it is exposed, or has rights, to variable returns from its involvement with these subsidiaries and has the ability to affect those returns through its power over these subsidiaries.

Thus, the principle of control sets out the following three elements of control:

- 1- Power over the investee.
- 2- Exposure, or rights, to variable returns from its involvement with the investee; and
- 3- The ability to use power over the investee to affect the amount of the investor's returns.

The parent company should reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

Any gain on bargain purchases is recognized in statement of profit or loss and other comprehensive income immediately. Transactions costs are expensed as incurred, except if related to the issue of debt or securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally recognized in consolidated statement of profit or loss and other comprehensive income.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in consolidated statement of profit or loss and other comprehensive income.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. This means that no gain or loss from these changes should be recognized in profit or loss. It also means that no change in the carrying amounts of the subsidiary's assets (including goodwill) or liabilities should be recognized as a result of such transactions

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

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

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

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

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

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

**(c) Use of estimates**

- These condensed consolidated interim financial information have been prepared in accordance with IAS 34, "interim financial reporting" which requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
- In preparing these condensed consolidated interim financial information for the six months ended on June 30, 2017, significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2016.

**3) Significant Accounting Policies**

The accounting policies applied by the Group in these condensed consolidated interim financial statements for the six months ended 30 June 2017 are the same as those applied by the Group in its consolidated financial statements for the year ended December 31, 2016, except for the following International Financial Reporting Standards effective starting from January 1, 2017:

Amendments to IAS (7).

Annual improvements to the International Financial Reporting Standards for the 2014-2016 cycles.

Amendments to IAS 12 Recognition of deferred tax assets for unrealized losses.

The adoption of these new standards does not have a material impact on the interim condensed consolidated financial information and its explanatory notes.

**IFRS not yet effective with early application permitted:**

IFRS 9 Financial Instruments. (Effective 1 January 2018).

IFRS 16 Leases. (Effective 1 January 2019).

IFRS 15 Revenue from Customer Contracts. (Effective 1 January 2018).

**ARAB PHOENIX HOLDING COMPANY  
(PREVIOUSLY TAMEER JORDAN HOLDING)  
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)  
AND IT'S SUBSIDIARIES (THE GROUP)  
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**4) FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT**

The Group generally exposed to the financial risks of credit risk, liquidity risk, market risk and capital management risk. In general, the Group's financial risk management objectives and policies are similar to those disclosed in the consolidated financial statements and the Group's annual report for the year ended December 31, 2016.

Financial assets fair value hierarchy representing equity instruments is disclosed in note 10.

The Group did not have any change in its capital management during the current interim period and the Group is not subject to any external capital requirements

**5) Segment Reporting**

An operating segment is a group of components of the Company affected by risks and returns that distinguish it from others and engages in producing products or services known as operating segments or engages in producing products or services within economic environments known as geographical segments.

**A- Operating Segment**

The Company operates its activities in major operating segments, which represents the follows:

- Manufacturing.
- Property investment.
- Contracting business

**B- Geographical Segment**

The group operates its activities inside the Hashemite Kingdom of Jordan.

The group operating segments include the following:

<i>Jordanian Dinar</i>	<u>Manufacturing</u>	<u>Real estate</u>	<u>Construction</u>	<u>Total</u>
<b><u>For the Six months ended June 30, 2017</u></b>				
<b><u>(Reviewed not audited)</u></b>				
Segment net revenues	-	-	-	-
Contingent liabilities provision	(14,740)	(76,811)	-	(91,551)
Income tax provision	-	-	-	-
Administrative and other expenses	(37,634)	(428,991)	(19,510)	(486,135)
Gain from sale of held for sale assets	70,656	-	-	70,656
<b>Segment Gain (loss)</b>	<b>18,282</b>	<b>(505,802)</b>	<b>(19,510)</b>	<b>(507,030)</b>
Segment total assets	10,890,390	75,749,722	198	86,640,310
Segment total liabilities	(248,602)	(31,506,281)	(907,979)	(32,662,862)

**ARAB PHOENIX HOLDING COMPANY  
(PREVIOUSLY TAMEER JORDAN HOLDING)  
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)  
AND IT'S SUBSIDIARIES (THE GROUP)  
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

<i>Jordanian Dinar</i>	<u>Manufacturing</u>	<u>Real estate</u>	<u>Construction</u>	<u>Total</u>
<b>For the Six months ended June 30, 2016</b>				
<b><u>(Reviewed not audited)</u></b>				
Segment net revenues	-	(169,424)	-	(169,424)
Contingent liabilities provision	-	746,660	15,468	762,128
Income tax provision	-	5,414	-	5,414
Administrative and other expenses	(32,199)	(370,095)	(45,917)	(448,211)
<b>Segment (loss) profit</b>	<b>(32,199)</b>	<b>212,555</b>	<b>(30,449)</b>	<b>149,907</b>
Segment total assets	12,021,230	78,267,171	93,424	90,381,825
Segment total liabilities	(246,496)	(34,847,823)	(830,014)	(35,924,333)

**6) Inventory**

<i>Jordanian Dinar</i>	<u>As of June 30, 2017 (Reviewed not audited)</u>	<u>As of December 31, 2016 (Audited)</u>
Raw materials	3,221,989	3,234,222
Spare parts	10,586	10,586
Less: damaged inventory provision*	(36,073)	(36,073)
	<b>3,196,502</b>	<b>3,208,735</b>

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

<i>Jordanian Dinar</i>	<u>2017</u>	<u>2016</u>
Balance at the beginning of the period / year	36,073	-
Additions during the period / year	-	36,073
<b>Balance at the end of the period / year</b>	<b>36,073</b>	<b>36,073</b>

**7) RELATED PARTIES BALANCES AND TRANSACTIONS**

Related parties are sister and associate companies, and the companies owned by the principal owners and senior management personnel of the company. The company's management approves the pricing policies and terms of these transactions.

**7-1) Related parties balances:**

*Jordanian Dinar*

	<u>Relationship</u>	<u>As of June 30, 2017 (Reviewed not audited)</u>	<u>As of December 31, 2016 (Audited)</u>
<b><u>Due from related parties:</u></b>			
Al-Maha for Real Estate development	Associate Company	1,001,870	1,001,870
		<b>1,001,870</b>	<b>1,001,870</b>



**ARAB PHOENIX HOLDING COMPANY  
(PREVIOUSLY TAMEER JORDAN HOLDING)  
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)  
AND IT'S SUBSIDIARIES (THE GROUP)  
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**7-2) Related parties transactions:**

<i>Jordanian Dinar</i>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	<u>As of June 30, 2017 (Reviewed not audited)</u>	<u>December 31, 2016 (Audited)</u>
			<u>2017</u>	<u>2016</u>
Al-Maha for Real Estate development	Associate Company	Company's share from associate company operating results	(5,084)	(12,591)
			<u>(5,084)</u>	<u>(12,591)</u>

**7-3) Key and executive management salaries and remunerations:**

The short-term key and executive management's salaries and remunerations for the period ended June 30, 2017 amounted to JOD 80,400 (Against JOD 56,000 for the period ended June 30, 2016).

**8) Property and equipment**

The additions over property and equipment during the period ended June 30, 2017 amounted to JOD 2,100, (June 30, 2016: JOD 11,806). The depreciation expense on property and equipment during the period ended June 30, 2017 amounted to JOD 7,301 (June 30, 2016: JOD 59,027). The net book value of the disposals during the period ended June 30, 2017 amounted to JOD Zero, (June 30, 2016: JOD Zero).

Property and equipment includes vehicles at net book value amounted to JOD 1,220 as of June 30, 2017 reserved against lawsuits raised against the group.

**9) Projects - Factories under construction**

This item represents amounts paid for the machinery and equipment's related to the construction of Al-Tashkele factory, this factory is constructed over a land recorded as property investment that is owned by a sister Company – Al- Madareon Lil Senat AlKharasanih.

During the second quarter of 2017, the management of the group decided to reclass part from it's factories projects under construction item to investments property at net book value amounted to JOD 8,142,721 as of June 30, 2017 as shown in note No. (11), in order to be in line with international standards requirements.

- Projects – factories under construction includes projects and land at net book value amounted to JOD 2,171,727 as of June 30, 2017 reserved for lawsuits raised against the Group (December 31, 2016: JOD 10,314,448).

- Management plan for these projects is to study the related sales or renting options of these projects.

**10) Investment in associate company**

<i>Jordanian Dinar</i>	<u>Paid-up capital</u>	<u>Country of registration</u>	<u>Ownership Percentage</u>	<u>As of June 30, 2017 (Reviewed not audited)</u>	<u>As of December 31, 2016 (Audited)</u>
			<u>%</u>		
Al-Maha for Real Estate Development – Private shareholding	12 Million	Jordan	%33,33	<u>3,291,644</u>	<u>3,296,728</u>

**ARAB PHOENIX HOLDING COMPANY  
(PREVIOUSLY TAMEER JORDAN HOLDING)  
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)  
AND IT'S SUBSIDIARIES (THE GROUP)  
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

The movement on the investment in associate company balance during the period/ year was as follows:

***Jordanian Dinar***

	<b>2017 (Reviewed not audited)</b>	<b>2016 (Audited)</b>
Balance at the beginning of the period / year	3,296,728	3,309,319
Company's share from associate company operating results	(5,084)	(12,591)
<b>Ending balance of the period / year</b>	<b>3,291,644</b>	<b>3,296,728</b>

Al-Maha for Real Estate development company owns lands with a net book value amounted to JOD 12,614,585 as of December 31, 2016. The company's general assembly decided in its meeting conducted on 22 September 2010 to distribute these lands over the company's owners, in addition that the fair value of these lands covers the Investment amount in this company and the receivable balance due from the company as of December 31, 2016.

There is a reservation on the groups' share in Al-Maha for Real Estate development company as of June 30, 2017 and 2016.

**11) Investments property**

During the second quarter of 2017, the management of the group decided to reclass a part from factories projects under construction item to investments property at net book value amounted to JOD 8,142,721 as of June 30, 2017, this item represents one land and building registered under Al- Madareon Lil Senat AlKharasanih.

- Investment property includes a land and building at net book value amounted to JOD 8,142,721 as of June 30, 2017 reserved for lawsuits raised against the Group.
- Management plan for these projects is to study the related sales or renting options of these projects.

**12) Lands under development and housing projects under construction**

Lands under development and housing projects under construction includes lands and projects at net book value amounted to JOD 53,108,228 as of June 30, 2017 (December 31, 2016: JOD 53,262,544) reserved for lawsuits raised against the Group.

**13) Due bank loan**

This item represents the loan provided to the group from Jordan Kuwait Bank, during the period ended June 30, 2017 the group approximately paid JOD 94 thousand from the due amount of this loan.

**14) Income tax provision**

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

<b><i>Jordanian Dinar</i></b>	<b>June 30, 2017 (Reviewed not audited)</b>	<b>December 31, 2016 (Audited)</b>
Balance at the beginning of the period / year	2,383,664	1,916,837
Previous years income tax and penalties	-	248,431
Income tax due on current period / year profits	-	241,095
Income tax paid	(23,756)	(2,814)
Reversal of provision	-	(19,885)
<b>Balance at the end of the period / year</b>	<b>2,359,908</b>	<b>2,383,664</b>

**ARAB PHOENIX HOLDING COMPANY  
(PREVIOUSLY TAMEER JORDAN HOLDING)  
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)  
AND IT'S SUBSIDIARIES (THE GROUP)  
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

Current tax payable is calculated at the tax rate 20% for the parent company and its subsidiaries in accordance with the new prevailing income tax law in Jordan No. 34 for the year 2014 effective from January 1, 2015.

The company didn't recognize the deferred tax assets related to the accumulated losses till the period ended June 30, 2017 due to the high level of uncertainty from achieving tax income in the near future.

There are reservations over the Group's movable and immovable funds for the benefit of the Income and sales tax department to settle claims which is the right of the department, the group recognized the sufficient provisions to meet these claims.

**15) Lawsuits provision**

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

<i>In Jordanian Dinar</i>	<b>June 30, 2017 (Reviewed not audited)</b>	<b>December 31, 2016 (Audited)</b>
Balance at the beginning of the period/year	2,375,911	3,560,276
Additions during the period/year	102,817	301,527
Reversal of provision during the period /year	(11,266)	(1,304,029)
Paid during the period/year	(25,772)	(158,929)
Transferred to trade payables and other credit balances	-	(22,934)
<b>Balance at the end of the year</b>	<b>2,441,690</b>	<b>2,375,911</b>

**16) CONTINGENT LIABILITIES**

<i>In Jordanian Dinar</i>	<b>June 30, 2017 (Reviewed not audited)</b>	<b>December 31 ,2016 (Audited)</b>
Bank guarantees	758,889	758,889
Against :cash margins	(7,500)	(7,500)

**Lawsuits raised against the group:**

Total amount of legal cases raised against the group amounted to JOD 7,798,707 during the period ended June 30, 2017 (December 31,2016: JOD 6,712,863), accordingly the group recognized lawsuits provision amounted to JOD 2,441,690 during the period ended June 30, 2017 where this provision includes and taking into account the related legal liabilities amounted to JOD 1,887,505. The management and its legal counsel believes that the recorded provisions in the condense consolidated financial information are sufficient to cover any current and future obligations.

**ARAB PHOENIX HOLDING COMPANY  
(PREVIOUSLY TAMEER JORDAN HOLDING)  
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)  
AND IT'S SUBSIDIARIES (THE GROUP)  
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**17) Going concern**

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

- There are reservations over the group's movable and immovable funds due to lawsuits raised against the group for the benefit of different entities.
- The group accumulated losses amounted to JOD (33,084,002) as of June 30, 2017 representing 38% of the group capital.
- A deficit in the working capital amounted to JOD 23,999,456.
- The group faces a high debt - to - equity ratio amounted to 59% as of June 30, 2017 (December 31, 2016: 59%) as a result of the decrease in the owners' equity due to the accumulated losses of the group.
- The accumulated losses for number of the subsidiaries companies exceeded half of its capital as of June 30, 2017 in addition to deficit in its working capital as follows:

<i>Jordanian Dinar</i>	Jun 30, 2017 (Reviewed not audited)		
	Paid-up capital	(Accumulated losses) / retained earnings	Deficit in working capital
Al- Andalusia company for Tourist Resorts and Housing projects	6,000,000	14,366,072	-
Al- Qubas real estate development Company	2,000,000	(870,979)	(20,383,001)
Al Tiraz for Construction	100,000	2,974,694	-
Al- Madareon Lil Senat AlKharasanih	100,000	(10,045,750)	(18,088,488)
Al- Madareon Lil Senat Al- tashkeilieh	15,000	(3,397,653)	(5,580,405)
Tamear For investment	15,000	(12,842,466)	(18,527,959)
Al- Rawabet for real estate development	15,000	(196,339)	(166,339)
Red Sea Resort for real estate Development	15,000	(4,034,884)	(18,465,886)
Tanfeeth for construction	300,000	(896,161)	(423,324)

- According to the text of Article (75 - A) of the Companies Law No. (22) for the year 1997 and its amendments " should the losses of the limited liability company exceed half of its capital, the company's manager or its management committee shall invite the company's general assembly to an extraordinary meeting in order to decide whether the company should be liquidated or continue to exist in a manner that would rectify its position. If the general assembly fails to reach a decision in this respect within two consecutive meetings, the controller shall grant the company a grace period of not more than a month to reach the decision. If it fails in reaching a decision, the company shall be referred to court for the purposes of compulsory liquidation in accordance with the provisions of the law". And According to the text of Article (86) bis of the Companies Law No. (22) for the year 1997 and its amendments "If a private shareholding company is exposed to gross losses so that it becomes unable to meet its obligations towards its creditors, the board of directors shall invite the company's extraordinary General Assembly to a meeting to issue a decision, either to liquidate the company, or issue new shares, or any other decision which would guarantee its ability to fulfill its obligations. If the general assembly is unable to take a definite decision in this respect during two consecutive meetings, the controller shall give the company a one-month grace period to take the required decision. In the event the company fails to do so, it shall be referred to the court for compulsory liquidation in accordance with the provisions of this law".

**ARAB PHOENIX HOLDING COMPANY  
(PREVIOUSLY TAMEER JORDAN HOLDING)  
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)  
AND IT'S SUBSIDIARIES (THE GROUP)  
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

The Group's management plan to address the going concern indicators are summarized as follows:  
The Group succeeded during the year 2016 in achieving the balance between three streams starting with the completion of current projects, payments for parts of the financial commitments to different parties through legal settlements and reconciliations which resulted in releasing parts of the reservations over the Group assets, and last stream was through the payment of all related administrative commitments and expenses necessary for the continuation of company's operations.

The Group was able to secure the needed cash for the above streams through the liquidation of part of assets owned by the Group and its subsidiaries in addition to collection part from the due receivables from Al- Andalusia clients.

As for the year 2017, The Group will focus on its core business which is the "Real Estates Development" and limit its vertical integration and prepare it for the coming growth period through two main directions:

**First:** Moving to the full operational mode and the continuation of current projects to make the current projects as the main cash generating sources to finance the current and future Group projects.

**Second:** Continue in settling debts and removing reservations and restrictions over the Group assets.

**As for the plan, it is summarized in the following:**

- Al- Andalusia project: continue and deliver what is left of project villas and collect the receivables from the clients.
- Zarqa project: after the continuation of phase one and starting the selling process, 2017 main target is to continue finishing up to 40% of the project.
- Red Sea project: continue finishing phase 1 of the project and delivering the sold villas to its owners and collect the related remaining receivables, in addition to start the completion and finalizing of phase 2.
- Developing and selling of land plots owned by Taameer and its subsidiaries.
- Selling of assets that are not useful any more to the Group and use the cash generated in the above main streams.
- Start the horizontal growth through the study of new projects inside and outside of Jordan.

**18) FINANCIAL RISK MANAGEMENT**

**Market price risk**

Equity price risk arises from financial assets at fair value through other comprehensive income that is held to meet the partially unfunded portion of the Group's liabilities as well as investments at fair value through statement of income. The group's management monitors the debt and securities portfolio in its market-based investment portfolio. Material investments are managed in the portfolio on an individual basis and the Risk Management Committee approves all purchase and sale decisions.

**Fair value hierarchy**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Prices quoted in active markets for similar instruments or through the use of valuation model that includes inputs that can be traced to markets, these inputs good be defend directly or indirectly.

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**ARAB PHOENIX HOLDING COMPANY  
(PREVIOUSLY TAMEER JORDAN HOLDING)  
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)  
AND IT'S SUBSIDIARIES (THE GROUP)  
AMMAN – JORDAN**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

<i>Jordanian Dinar</i>	<u>Book Value</u>	<u>Fair Value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b><u>June 30, 2017 ( Reviewed not audited)</u></b>				
Cash and cash equivalents	773,091	-	773,091	-
Financial assets at fair value through other comprehensive income	16,062	-	16,062	-
Trade receivables and other debit balances	3,182,370	-	3,182,370	-
Due from related parties	1,001,870	-	1,001,870	-
Investment in associate company	3,291,644	-	3,291,644	-
Trade payables and other credit balances	(6,883,812)	-	(6,883,812)	-
Due bank loan	(190,393)	-	(190,393)	-
Advance payments received against sales	(20,786,977)	-	(20,786,977)	-
<b><u>December 31, 2016 (audited)</u></b>				
Cash and cash equivalents	1,160,699	-	1,160,699	-
Financial assets at fair value through statement of other comprehensive income	16,009	-	16,009	-
Trade receivables and other debit balances	3,021,677	-	3,021,677	-
Due from related parties	1,001,870	-	1,001,870	-
Investment in associate company	3,296,728	-	3,296,728	-
Trade payables and other credit balances	(7,085,715)	-	(7,085,715)	-
Due bank loan	(284,118)	-	(284,118)	-
Advance payments received against sales	(20,766,477)	-	(20,766,477)	-

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

**19) COMPARATIVE FIGURES**

The comparative figures represents the Consolidated Statement of Financial Position as of December 31, 2016 in addition to the condensed consolidated interim Statement of Profit or Loss and other comprehensive income and Condensed Consolidated Interim Statement of Changes in Shareholders' Equity and the Condensed Consolidated Interim Statement of Cash Flow for the period ended June 30, 2016.