

*Al-Sharq Investment Projects Co.  
Public Shareholding Co.  
Amman – Jordan  
Interim Financial Statements For the period  
from 1/1/2021 to 30/9/2021  
Report on the review of the interim financial  
information (Unaudited)*

**Al-Sharq Investment Projects Co.**  
**Public Shareholding Co.**  
**Amman – Jordan**

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Report on the review of the interim financial information (Unaudited)

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330/1/108/1915

**Report on the review of the interim financial information (Unaudited)**

To the Board of Directors,  
Al-Sharq Investment Projects Co.  
Public Shareholding Co.  
Amman – Jordan


We have reviewed the accompanying interim financial statements of **Al-Sharq Investment Projects Co. (PLC)** and the related Interim Statement of Comprehensive Income, Interim Changes in Equity and Interim Cash Flow for the nine months period ended on September 30<sup>th</sup>, 2021, and a summary of significant accounting policies and other explanatory notes from (1-6). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with the International Standard 34 (Interim Financial Reports). Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the **Al-Sharq Investment Projects Co. (PLC)** financial position as at September 30<sup>th</sup>, 2021, and of its financial performance and its cash flows for the nine months period then ended in accordance International Standard 34 (Interim Financial Reports).

  
**Dweik & Co. (ACC)**  
Audit & Consult Consortium  
Fadi Rafiq Dweik  
Audit license No (779)



**October 20<sup>th</sup>.2021**  
**Amman - Jordan**



## Statement (A)

**Al-Sharq Investment Projects Co. (PLC)****Amman – Jordan****Statement of Interim Financial Position as of September 30<sup>th</sup>, 2021**

<b>Assets</b>	<b><u>30/9/2021/JD</u></b>	<b><u>31/12/2020/JD</u></b>
<b><u>Current Assets</u></b>		
Cash and cash equivalents	979895	329096
Checks under collection	24321	17163
Accounts' receivable - Net	161733	84892
Inventory	34979	36566
Refundable deposits	102316	102316
Other current assets	760143	423066
<b>Total Current Assets</b>	<b><u>2063387</u></b>	<b><u>993099</u></b>
<b><u>Non Current Assets</u></b>		
Operational assets	15072	60289
Financial assets at fair value through other comprehensive income	1041632	693932
Intangible assets	4875	9750
Property, equipment & tools	17393588	18095741
<b>Total Non Current Assets</b>	<b><u>18455167</u></b>	<b><u>18859712</u></b>
<b>Total Assets</b>	<b><u>20518554</u></b>	<b><u>19852811</u></b>
	=====	=====
<b><u>Liabilities &amp; Owners' Equity</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts' payable	198416	76122
Other current liabilities	545478	239452
Short term loan	44445	177780
Due to bank	31198	000
<b>Total Current Liabilities</b>	<b><u>819537</u></b>	<b><u>493354</u></b>
<b><u>None Current liabilities</u></b>		
Long term loan	532850	352941
<b><u>Owners' Equity</u></b>		
Capital	16000000	16000000
Statutory reserve	3637069	3637069
Voluntary reserve	28056	28056
Fair value adjustments through other comprehensive income	(419173)	(766873)
Retained (losses) earnings	(79785)	108264
<b>Net Owners' Equity</b>	<b><u>19166167</u></b>	<b><u>19006516</u></b>
<b>Total Liabilities &amp; Owners' Equity</b>	<b><u>20518554</u></b>	<b><u>19852811</u></b>
	=====	=====

“ The accompanying notes are an integral part of these statements ”

## Statement (B)

**Al-Sharq Investment Projects Co. (PLC)**  
**Amman – Jordan**  
**Statement of Interim Comprehensive Income**  
**for the Period Ended September 30<sup>th</sup>, 2021, 2020**

	<b><u>30/9/2021</u></b>	<b><u>30/9/2020</u></b>
	<b><u>JD</u></b>	<b><u>JD</u></b>
<b><u>Comprehensive income</u></b>		
Operation's revenues	2430704	1840641
Operation's cost	(769077)	(795946)
<b>Gross operating income</b>	<b>1661627</b>	<b>1044695</b>
Overhead expenses	(541558)	(629760)
Maintenance & energy expenses	(459955)	(402018)
Marketing & advertizing expenses	(124331)	(133801)
Depreciation	(752245)	(771953)
Management fees	(44617)	(10068)
Other revenue	12157	11147
Dividends	60873	000
<b>(Loss) for the period / Comprehensive income</b>	<b>(188049)</b>	<b>(891758)</b>
<b><u>Other Comprehensive income</u></b>		
Fair value adjustments through other comprehensive income	347700	(106088)
<b>Total other comprehensive income</b>	<b>347700</b>	<b>(106088)</b>
<b>Total comprehensive income for the period</b>	<b>159651</b>	<b>(997846)</b>
<b>Earnings per share from comprehensive income for the period</b>	<b>0,998%</b>	<b>000</b>
<b>Weighted Average Shares</b>	<b>16000000</b>	<b>16000000</b>

“ The accompanying notes are an integral part of these statements ”

Statement (C)

**Al-Sharq Investment Projects Co. (PLC)**  
**Amman – Jordan**  
**Statement of Interim Changes in Equity**  
**for the Period Ended September 30<sup>th</sup>, 2021, 2020**

Description	Capital	Statutory reserve	Voluntary reserve	Fair value adjustments through other comprehensive income	Retained (losses) earnings	Total
	JD	JD	JD	JD	JD	JD
<b>Balance as of Dec.31<sup>st</sup>, 2020</b>	16000000	3637069	28056	(766873)	108264	19006516
(Loss) for the period / Comprehensive income	000	000	000	000	(188049)	(188049)
<b>Other Comprehensive income</b>						
Fair value adjustments through other comprehensive income	000	000	000	347700	000	347700
<b>Balance as of September 30<sup>th</sup>, 2021</b>	<b>16000000</b>	<b>3637069</b>	<b>28056</b>	<b>(419173)</b>	<b>(79785)</b>	<b>19166167</b>
<b>Balance as of Dec.31<sup>st</sup>, 2019</b>	16000000	3637069	28056	(679861)	1365575	20350839
(Loss) for the period / Comprehensive income	000	000	000	000	(891758)	(891758)
<b>Other Comprehensive income</b>						
Fair value adjustments through other comprehensive income	000	000	000	(106088)	000	(106088)
<b>Balance as of September 30<sup>th</sup>, 2020</b>	<b>16000000</b>	<b>3637069</b>	<b>28056</b>	<b>(785949)</b>	<b>473817</b>	<b>19352993</b>

“The accompanying notes are an integral part of these statements”



## Statement (D)

**Al-Sharq Investment Projects Co. (PLC)**  
**Amman – Jordan**  
**Statement of Interim Cash Flows**  
**for the Period Ended September 30<sup>th</sup>, 2021,2020**

	<b><u>30/9/2021</u></b>	<b><u>30/9/2020</u></b>
	<b><u>JD</u></b>	<b><u>JD</u></b>
<b><u>Cash Flows From Operating Activities:</u></b>		
Total comprehensive income for the period	159651	(997846)
<b><u>Adjustments:</u></b>		
Depreciation	752245	771953
Adjustments on financial assets	(347700)	106088
<b>Operating income (loss) before working capital changes:</b>	<b>564196</b>	<b>(119805)</b>
Accounts' receivable and other current assets	(419489)	(217702)
Accounts' payable and other current liabilities	428320	(373977)
<b>Net cash flows from operating activities</b>	<b>573027</b>	<b>(711484)</b>
<b><u>Cash Flows From Investing Activities:</u></b>		
Property, plant & equipment	000	135393
<b>Net cash flows from investing activities</b>	<b>000</b>	<b>135393</b>
<b><u>Cash Flows From Financing Activities:</u></b>		
Due to bank	31198	185727
Loan	46574	84645
<b>Net cash flows from financing activities</b>	<b>77772</b>	<b>270372</b>
<b>Net change in cash and cash equivalents</b>	<b>650799</b>	<b>(305719)</b>
<b>Cash &amp; cash equivalents at beginning of the period</b>	<b>329096</b>	<b>878622</b>
<b>Cash &amp; cash equivalents at end of the period</b>	<b>979895</b>	<b>572903</b>

“The accompanying notes are an integral part of these statements”

**Al-Sharq Investment Projects Co. (PLC)**  
**Amman – Jordan**  
**Notes to Interim Financial Statements**  
**September 30<sup>th</sup>, 2021**

**1- Constitution and objectives:**

- A- Al-Sharq Investment Projects Company is registered as a public shareholding company under the No. (258) with issued capital of JD (16000000) /share after the merger of al-Shark Investment Projects Company with al-Shark For Hotel & Tourism Company (LLC) on 1/10/2005, and the merger was approved by the Minister of Industry on 20/3/2006. The Company's opening balances resulting from the merger were recorded by the revaluated amounts.
- B- The Company owns a hotel operating under the name “ Holiday Inn Hotel- Amman” which was opened in 1999 and managed by Holiday Inn Group (Inter Continental Group) under a management agreement signed during 1995, which some if its items has been amended during the following years and has been extended until 14/7/2019. On 10/2/2019 the Board of Directors decided to terminate the above mentioned management contract starting from the date of its expiry on 14/7/2019, and agreed with Mövenpick Hotels & Resorts to manage and operate the Hotel starting 15/7/2019.
- C- The financial statements were approved by the broad of directors on October 20th, 2021 and it is subject to be approved by the general assembly.
- D- **Objectives:**  
To establish and manage hotels and tourist resorts and managing of subsidiaries or participating in the management of other companies in which they contribute.

**2- Significant accounting policies:**

The interim financial statements are prepared under the International Standard 34 (Interim Financial Reports) and the related interpretations originated by the International financial Reporting Interpretations Committee.

The interim financial statements do not include all significant matters and explanatory notes that are required for the annual financial statements and are prepared in accordance with the International Financial Reporting Standards, in addition the interim financial performance is not necessarily represents an indicator of the annual financial performance.

Accounting policies are implemented on consistent bases in the financial statements as previously implemented.

**3- Corporate Tax position:**

- ◆ The tax position of the Company was finalized with Income and Sales Tax Department till end of the year 2019.
- ◆ Tax declaration of the Company for the year 2020 were submitted to Income and Sales Tax Department, and tax assessment still not made by the Department yet.



4- **Contingencies**

- a- There are labor lawsuits filed against the Company amounted JD (41205).
- b- There are contingent liabilities against L/Gs as of the date of the Financial Statements for an amount of JD (4325) net after deducting the counter deposit.

c- **The impact of the Corona pandemic:**

As a result of the spread of the Corona pandemic in the world, this has made it difficult to predict the full impact of this pandemic on the Company's activities, business and determine the duration of this pandemic, which has created a state of uncertainty about the potential impact of the pandemic, and based on management's assessment, the uncertainty will not materially affect the going concern assessment of the Company. Where the management believes that the impact of the pandemic is minimal on the expected credit loss of the Company's assets, and the book value of non-financial assets will not be affected significantly. The business market remains volatile and the recorded balances of the assets and liabilities of the Company are sensitive to market fluctuations and the Company's management will monitor in a continuous and accurate manner the risks and contingent liabilities, and necessary precautions will be taken.

5- **Operating Segments:**

The Company carries out its activities through a major activity of establishing and managing of hotels. The financial statements include the financial performance of the company's hotel.

6- **General:**

Attention must be drawn to the effect of the Jordan Securities Commission regulations and Jordanian Companies Law on calculating statutory reserve only on the realized earnings bases, as well as presenting the unrealized earnings separately in the retained earnings item. Attention to be drawn to restrictions on the distributing dividends for unrealized earnings.