

شركة التحديث للاستثمارات العقارية المساهمة العامة المحدودة

AL Tahdeth Real State Investments Company Limited Public Contributing

NO : 48/2018

Date: 22/04/2018

To: Jordan securities commission
Amman stock exchange

بسم الله الرحمن الرحيم
الحمد لله رب العالمين
والصلاة والسلام على
سيدنا محمد وآله الطيبين
الطاهرين

ع/ع
ل/ل

هيئة الأوراق المالية الادارة الادارية / الدفتر
٢٢ نيسان ٢٠١٨
لرقم التسلسل.....
لجهة المختصة.....

Subject: Quarterly Report as of

31/03/2018

Greetings,

Attached the Quarterly Report of (company's name) as of 31/03/2018 .

Kindly accept our highly appreciation and respect,

Company's Name *AL Tahdeth Real Estate Investments Company Limited Public Contributin*

Shareholder

شركة التحديث للاستثمارات العقارية
المساهمة العامة المحدودة

**AL-TAHDITH FOR REAL ESTATE
INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM FINANCIAL STATEMENTS AND
REVIEW REPORT
FOR THE PERIOD ENDED MARCH 31, 2018**

**AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM FINANCIAL STATEMENTS AND REVIEW REPORT
FOR THE PERIOD ENDED MARCH 31, 2018**

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REPORT ON REVIEWING THE INTERIM FINANCIAL STATEMENTS

To the shareholders
Al-Tahdith For Real Estate Investments Company

Report on Auditing the Interim Financial Statements

Introduction

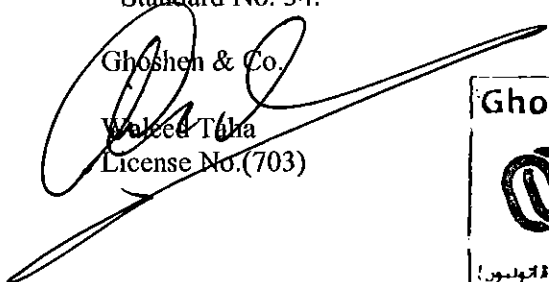
We have reviewed the accompanying Interim Statement of Financial Position for Al-Tahdith For Real Estate Investments Company (P.L.C.) as of March 31, 2018, and the related statements of Interim Comprehensive income,, Owners' equity and cash flows for the period then ended, The management is responsible of preparing and presenting company's financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. Our review is primarily limited to inquiries of the company's accounting and financial departments personnel as well as applying analytical procedures to financial data .The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards, Accordingly, Getting assurances and confirmations about other important aspects checked through an audit procedure was not achievable, Hence, We don't express an opinion regarding in this regard.

Conclusion

Based on our review, except what was mentioned in basis of qualification above, nothing has come to our attention that causes us to be believe that the accompanying interim financial statements do not give a true and fair view in accordance with International Accounting Standard No. 34.


Ghosheh & Co.
Walid Taha
License No.(703)



Amman-Jordan
April 18, 2018

AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM FINANCIAL STATEMENTS AND REVIEW REPORT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018 AND DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINARS)

	Note	2018	2017
ASSETS			
Non-current assets			
Property and equipments		1,951,419	1,969,769
Series production		21,000	21,000
Investment in lands		491,835	491,835
Long term – Note receivable		78,400	91,800
Total non-current assets		2,542,654	2,574,404
Current assets			
Prepaid expenses and other receivables		2,417	2,417
Accounts receivable		95,856	79,450
Short term –note receivables		107,300	99,500
Cash and cash equivalents		1,065	564
Total current assets		206,638	181,931
TOTAL ASSETS		2,749,292	2,756,335
LIABILITIES AND OWNERS' EQUITY			
Owners' equity			
Share capital	1	2,300,000	2,300,000
Statutory reserve		127,614	127,614
Voluntary reserve		6,302	6,302
Retained earnings / (Accumulated losses)		1,264	(1,598)
Total owners' equity		2,435,180	2,432,318
Non-Current liabilities			
Non-Current portion of long term loan		45,338	34,830
Total non-current liabilities		45,338	34,830
Current liabilities			
Accrued expenses and other liabilities		54,095	47,215
Deferred checks		16,291	25,940
Accounts payable		7,869	17,798
Bank overdraft		137,979	135,186
Current portion of long term loan		52,540	63,048
Total current liabilities		268,774	289,187
TOTAL LIABILITIES AND OWNERS' EQUITY		2,749,292	2,756,335

The accompanying notes are an integral part of these financial statements

AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018
(EXPRESSED IN JORDANIAN DINAR)

	For the three months ended March 31, 2018	For the three months ended March 31, 2017
Operating Revenues		
Revenues from Dewan Zaman Restaurant	-	86,955
Restaurant Revenue	<u>37,716</u>	<u>-</u>
Total Operating Revenues	<u>37,716</u>	<u>86,955</u>
Less: Operating Cost		
Cost of Restaurant Revenues	-	(137,885)
Consumption of restaurant assets	<u>(18,350)</u>	<u>-</u>
Total Cost Operating Revenues	<u>(18,350)</u>	<u>(137,885)</u>
Gross Profit / (loss)	<u>19,366</u>	<u>(50,930)</u>
General and Administrative expenses	(8,861)	(4,677)
Financial Charges	<u>(7,643)</u>	<u>(6,465)</u>
Net Profit / (loss) operating	<u>2,862</u>	<u>(63,872)</u>
Other Expenses and Revenues	-	127
Profit / (loss) period	<u>2,862</u>	<u>(63,745)</u>
Other Comprehensive Income:		
TOTAL OTHER COMPREHENSIVE INCOME	<u>2,862</u>	<u>(63,745)</u>
Profit / (loss) per Share:		
Profit / (loss) per Share JD/Share	<u>0,0012</u>	<u>(0,02)</u>
Weighted Average of Outstanding Shares	<u>2,300,000</u>	<u>2,300,000</u>

The accompanying notes are an integral part of these interim financial statements

AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF OWNERS' EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Statutory reserve	Voluntary reserve	Retained earnings	Total
Balance at January 1, 2018	2,300,000	127,614	6,302	(1,598)	2,432,318
Comprehensive income for period	-	-	-	2,862	2,862
Balance at March 31, 2018	2,300,000	127,614	6,302	1,264	2,435,180
Balance at January 1, 2017	2,300,000	127,614	6,302	21,986	2,455,902
Comprehensive income for period	-	-	-	(63,745)	(63,745)
Balance at March 31, 2017	2,300,000	127,614	6,302	(41,759)	2,392,157

The accompanying notes are an integral part of these interim financial statements

AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018
(EXPRESSED IN JORDANIAN DINAR)

	For the three months ended March 31, 2018	For the three months ended March 31, 2017
Operating Activities		
Profit / (loss) for the period	2,862	(63,745)
Adjustments on income for the period:		
Depreciation	18,350	19,687
Financial charges	7,643	6,465
Changes in operating assets and liabilities :		
Accounts receivable	(16,406)	(4,356)
Prepaid expenses and other receivables	-	(683)
Inventory	-	3,937
Notes receivables	5,600	7,700
Accounts payable	(9,929)	10,615
Deferred checks	(9,649)	(19,327)
Accrued expenses and other liabilities	6,880	(21,187)
Cash available from / (used in) operating activities	5,351	(60,894)
Finance charges paid	(7,643)	(6,465)
Net cash used in operating activities	(2,292)	(67,359)
Investing Activities		
Changes in property and equipments	-	(2,124)
Net cash used in investing activities	-	(2,124)
Financing Activities		
Bank overdraft	3,793	87,931
Loans payment	-	(15,043)
Net cash available from financing activities	3,793	72,888
Net change in cash and cash equivalents	501	3,405
Cash and cash equivalents, January 1	564	10,955
Cash and cash equivalents, March 31	1,065	14,360

The accompanying notes are an integral part of these interim financial statements

AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMAPNY)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2018
(EXPRESSED IN JORDANIAN DINAR)

1. ORGANIZATION AND ACTIVITY

Al-Tahdith for real estate investments company is a Jordanian limited public shareholding company ("the Company"), registered on October 22, 2006 with the Controller of Companies in the Ministry of Industry and Trade under the number (420). The Company was granted the right to commence operations on July 2, declared and paid up capital JD 2,300,000 divided into 2,300,000 shares, the value of each share is JD one.

The main objectives of the company are to invest in land and buildings and to develop, improve and trade them and to own projects and companies in whole or in part operating in different sectors according to the laws and regulations in Jordan..

The Company's headquarter is in Amman.

2. NEW AND REVISED STANDARDS AND AMENDMENTS TO IFRSs IN ISSUE BUT NOT YET EFFECTIVE:-

The following new standards and amendments to the standards have been issued but are not yet effective and the Company intends to adopt these standards, where applicable, when they become effective.

<u>New Standards</u>	<u>Effective Date</u>
(IFRS) No.9 – Financial Instruments	January 1,2018
(IFRS) No.15 – Revenue from Contract with Customers	January 1,2018
(IFRS) No.16 – Leases	January 1,2019

Board of directors of the company is expecting that the application of these standards and interpretations will not have a substantial impact on the Company's interim financial statements.

**AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2018
(EXPRESSED IN JORDANIAN DINAR)**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The interim financial statements are presented in Jordanian Dinar, since that is the currency in which the majority of the Company's transactions are denominated.

The interim financial statements have been prepared on historical cost basis.

The interim statements do not include all the information and notes needed in the annual financial statements and must be reviewed with the ended financial statement at December 31, 2017, in addition to that the result for the three months ended in March 31, 2018 is not necessarily to be the expected results for the financial year ended December 31, 2018.

The preparation of interim financial statements

The accompanying financial statements have been prepared in accordance with the International Financial Reporting Standards .

The Basics of preparation

These financial statements , were presented in Jordanian Dinar as the majority of transactions recorded in Jordanian Dinar.

The interim financial statements have been prepared on the historical cost basis , However financial assets and financial liabilities are stated at fair value. The following is a summary of significant accounting policies applied by the company as follows :

Revenue recognition

Revenue from the sale of residential apartments is recognized when the sales agreement is signed with the buyer and the sale contract is signed.

Revenue from restaurants is recognized when the service is rendered to customers and the invoice is issued and is shown net of discount.

Expenses

General and administrative expenses include both direct and indirect costs not specifically part of production costs as required under generally accepted accounting principles. Allocations between general and administrative expenses and cost of sales are made on a consistent basis when required.

Cash and cash equivalents

Cash and cash equivalent include cash, demand deposits, and highly liquid investments with original maturities of three months or less.

AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2018
(EXPRESSED IN JORDANIAN DINAR)

Property and Equipments

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis except power plant and equipment and machinery (melting furnace) depreciation is calculated on production capacity basis, the depreciation percentage for the assets as follows:

	Annual depreciation rate
Buildings	2%
Electrical Devices	10%-15%
Furniture	10%-15%
Vehicles	15%
Decorations	10%-15%
Tools	10%-20%
Computers and Communications	25%

Useful lives and the depreciation method are reviewed periodically to make sure that the method and depreciation period appropriate with the expected economic benefits of property and equipment.

Projects Under Construction

Projects under construction consist of properties that are primarily developed for sale and are stated at cost or net realizable value. Cost includes all direct costs attributable to the design and construction of the property, including staff costs. Net realizable value is the estimated selling price in the normal course of business after deducting the variable selling costs.

Series Production

The cost of production of television series is recorded at cost. In general, production costs related to television series are considered as expenses. The costs related to the production of a specific television series that can be identified and distinguished, and the company has the ability to control them and provide future benefits for more than one year.

Use of estimates

The preparation of the financial statements and the application of accounting policies require management to make estimates and judgments that affect the amounts of financial assets and liabilities and disclose potential liabilities. These estimates and judgments also affect income, expenses and provisions, as well as changes in fair value that appear in the statement of income. The company management issues significant judgments and provisions to estimate the amounts of future cash flows and times, the estimates are necessarily based on assumptions and factors with varying degrees of judgment and uncertainty and actual results may differ from estimates due to the changes resulting from the conditions and circumstances of those estimates in the future.

Segment report

The business sector represents a collection of assets and operation engaged together in providing product or services subjected to risks and returns that are different from those of other business sectors, which are measured according to the reports that are used by the executive director and the main decision-makers in the Company.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the statement of financial position only when there are legal rights to offset the recognized amounts, the Company intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

**AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMAPNY)**

**NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2018
(EXPRESSED IN JORDANIAN DINAR)**

Income tax

The Company is subject to the Income Tax Law for the year and its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income. According to International Accounting Standard number (12), the company may have deferred taxable assets resulting from the differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the financial statements since it's immaterial.

Leasing

Leases are classified as capital lease whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the comprehensive income statement on a straight-line basis over the term of the operating lease.

4. REVENUE FROM THE INVESTMENT CONTRACT OF DIWAN ZAMAN RESTAURANT

It represents the value of the revenues resulting from the investment contract of Diwan Zaman Restaurant for Yarmouk Tourism Investment Company amounted of 175,000 JD per annum, including the general sales tax from October 1, 2017 to September 30, 2018

5. FINANCIAL INSTRUMENTS

Financial risks management

Company activities could mainly be exposed to financial risks that arising from the following:

Foreign currencies risks management

The company is not exposed to significant risks related to foreign currency price changes, so there is no need to effective management for this exposure.

Interest rate risk

The Company is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits, interest bearing loans and borrowings).

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

**AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMAPNY)**

**NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2018
(EXPRESSED IN JORDANIAN DINAR)**

Credit risk

Credit risk is defined as the risk that one party of a financial instrument will cause a financial loss for the other party by failing to discharge an obligation, the Company maintains cash at financial institutions with suitable credit rating, the Company looks forward to reduce the credit risk by maintaining a proper control over the customer's credit limits and collection process and take provisions for doubtful accounts.

Liquidity risk

Are the risks of inability to pay the financial obligations that were settled by receiving cash or another financial asset. Liquidity risk management by control on cash flows and comparing them with maturities of assets and financial liabilities.

The following table represents the contractual eligibilities to non-derivative financial liabilities.

The table has prepared on the non-deducted cash flows for the financial liabilities basis according to the early due dates that may required from the Company to pay or receive.

6.APPROVAL OF INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the Board of Directors and authorized for issuance on April 18, 2018.