

شركة التحديث للاستثمارات العقارية المساهمة العامة المحدودة

AL Tahdeth Real State Investments Company Limited Public Contributing

Date: 29/04/2019

To: Jordan securities commission  
Amman stock exchange

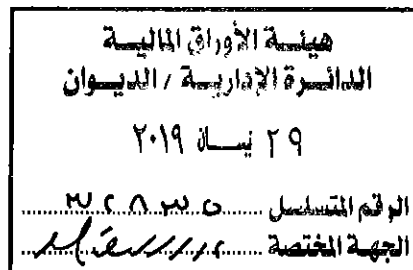
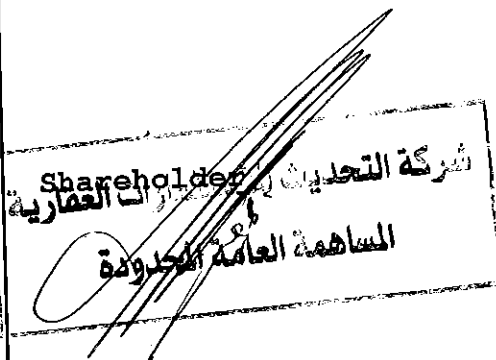
Subject: Semi- Annual Report as of 31/03/2019

Greetings,

Attached the company's Semi- Annual Report of (AL Tahdeth Real Estate Investments Company) as of 31/03/2019

Kindly accept our highly appreciation and respect,

Company's Name AL Tahdeth Real Estate Investments Company Limited Public Contribution



**AL-Tahdith for Real Estate Investments Company**  
**Public Shareholding Company**  
**Amman -- The Hashemite Kingdom of Jordan**

**Interim Financial Statements**  
**and Review Report**  
**as at March 31st 2019**  
**(Unaudited)**

**AL-Tahdith for Real Estate Investments Company**  
(Public Shareholding Company)

**Interim Financial Statements and Review Report for the period ended March 31, 2019**

**INDEX**

	<b>PAGE</b>
Report on Reviewing the Interim Financial Statements	1
Interim Statement of Financial Position	2
Interim Statement of Comprehensive Income	3
Interim Statement of Owners' Equity	4
Interim Statement of Cash Flows	5
Notes to the Interim Financial Statements	6 – 10

**Auditors Report on Condensed Interim Financial Statements**

**To the Shareholders**

**Al-Tahdith For Real Estate Investments Company**  
**Amman - The Hashemite Kingdom of Jordan**

**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, 2019, and the related statements of Interim Consolidated 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.

**Audit Bureau**

**Ibrahim Salim Yaseen**  
**(License # 255)**

**Amman – April 25 2019**

**AL-Tahdith for Real Estate Investments Company**  
(Public Shareholding Company)

**Condensed Interim statement of financial position as at March 31, 2019**  
(Expressed in Joranian Dinars)

	Note	2019	2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipments	4	1,920,343	1,940,543
Series production		21,000	21,000
Investment in lands	6	491,835	491,835
Long term – Note receivable		47,600	37,400
<b>Total non-current assets</b>		<b>2,480,778</b>	<b>2,490,778</b>
<b>Current assets</b>			
Prepaid expenses and other receivables	7	2,417	2,417
Accounts receivable	5	89,155	50,589
Short term –note receivables		34,800	47,800
Cash and cash equivalents	8	1,940	348
<b>Total current assets</b>		<b>128,312</b>	<b>101,154</b>
<b>TOTAL ASSETS</b>		<b>2,609,090</b>	<b>2,591,932</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>Owners' equity</b>			
Share capital	1	2,300,000	2,300,000
Statutory reserve	9	127,614	127,614
Voluntary reserve	9	6,302	6,302
(Accumulated losses) / Retained earnings		(95,273)	(90,606)
<b>Total owners' equity</b>		<b>2,338,643</b>	<b>2,343,310</b>
<b>Non-Current liabilities</b>			
Non-Current portion of long term loan	13	36,875	35,000
<b>Total non-current liabilities</b>		<b>36,875</b>	<b>35,000</b>
<b>Current liabilities</b>			
Accrued expenses and other liabilities	10	57,820	60,412
Deffered checks		12,484	5,275
Accounts payable		27,156	12,996
Bank overdraft	14	101,112	99,939
Current portion of long term loan	13	35,000	35,000
<b>Total current liabilities</b>		<b>233,572</b>	<b>213,622</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>2,609,090</b>	<b>2,591,932</b>

- Accompanying notes are an integral part of these condensed interim financial statements-

**AL-Tahdith for Real Estate Investments Company**  
(Public Shareholding Company)

**Condensed interim statement of comprehensive income for the three months ended  
March 31, 2019  
(Expressed in Joranian Dinars)**

	For the three months ended March 31, 2019	For the three months ended March 31, 2018
<b>Operating Revenues</b>		
Revenues from Al Bazar Rent	30	-
Revenue from the Investment Contract of Diwan Zaman Restaurant	37,716	37,716
<b>Total Operating Revenues</b>	37,746	37,716
<b>Less: Operating Cost</b>		
Cost of Restaurant Revenues		-
Consumption of restaurant assets	(20,199)	(18,350)
<b>Total Cost Operating Revenues</b>	(20,199)	(18,350)
<b>Total loss</b>	17,547	19,366
General and Administrative expenses	(15,408)	(8,861)
Financial Charges	(6,806)	(7,643)
<b>Net loss Operating</b>	(4,667)	2,862
Other Expenses and Revenues		-
<b>loss period</b>	(4,667)	2,862
<b>Other Comprehensive Income:</b>		
<b>Total Other Comprehensive Income</b>	(4,667)	2,862
<b>loss per Share:</b>		
<b>loss per Share JD/Share</b>	(0.002)	0,0012
<b>Weighted Average of Outstanding Shares</b>	2,300,000	2,300,0000

- Accompanying notes are an integral part of these condensed interim financial statements-

**AL-Tahdith for Real Estate Investments Company**  
(Public Shareholding Company)

**Condensed interim statement of changes in equity for the three months ended March 31, 2019**  
(Expressed in Joranian Dinars)

	Share capital	Statutory reserve	Voluntary reserve	Retained earnings	Total
Balance at January 1, 2019	2,300,000	127,614	6,302	(90,906)	2,343,310
Comprehensive income for period	-	-	-	(4,667)	(4,667)
Balance at March 31, 2019	2,300,000	127,614	6,302	(95,573)	2,338,643
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

- Accompanying notes are an integral part of these condensed interim financial statements-

**AL-Tahdith for Real Estate Investments Company**  
(Public Shareholding Company)

**Condensed interim statement of cash flows for the three months ended March 31, 2019**  
(Expressed in Joranian Dinars)

	For the three months ended March 31, 2019	For the three months ended March 31, 2018
<b>Operating Activities</b>		
Loss for the period	(4,667)	2,862
Adjustments on income for the period:		
Depreciation	20,199	18,350
Financial charges	6,806	7,643
Changes in operating assets and liabilities :		
Accounts receivable	(38,566)	(16,406)
Notes receivables	2800	5,600
Accounts payable	14,160	(9,929)
Deffered checks	7,209	(9,649)
Accrued expenses and other liabilities	(717)	6,880
<b>Cash used in operating activities</b>	<b>7,224</b>	<b>5,351</b>
Finance charges paid	(6,806)	(7,643)
<b>Net cash used in operating activities</b>	<b>418</b>	<b>(2,292)</b>
<b>Investing Activities</b>		
Changes in property and equipments	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>
<b>Financing Activities</b>		
Bank overdraft	1,174	2,793
<b>Net cash available from financing activities</b>	<b>1,174</b>	<b>2,793</b>
<b>Net change in cash and cash equivalents</b>	<b>1,592</b>	<b>501</b>
Cash and cash equivalents, January 1	348	564
<b>Cash and cash equivalents, March 31</b>	<b>1,940</b>	<b>1,065</b>

- Accompanying notes are an integral part of these condensed interim financial statements-



**AL-Tahdith for Real Estate Investments Company**  
(Public Shareholding Company)

**Notes to the (Unaudited) condensed interim financial statements**  
**March 31st 2019**  
**(Expressed in Joranian Dinars)**

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**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 company registered the trade name "Diwan Zaman Restaurants" at the Commercial Names Registrar at the Ministry of Industry and Trade under No. 138299 on 9 January 2008.

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 :**

The following new standards and amendments to the standards have been issued and become effective.

<u><b>New Standards</b></u>	<u><b>Effective Date</b></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

**AL-Tahdith for Real Estate Investments Company**  
(Public Shareholding Company)

**Notes to the (Unaudited) condensed interim financial statements**  
**March 31st 2019**  
**(Expressed in Joranian Dinars)**

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**3. Summary Of Significant Accounting Policies**

**The preparation of 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 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.

Revenue from restaurant contract is recognized according to the contract terms, and recorded monthly.

**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 the (Unaudited) condensed interim financial statements**  
**March 31st 2019**  
**(Expressed in Joranian Dinars)**

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**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:

	<u>Annual depreciation rate</u>
Buildings	2%
Elictrical Divices	10%-15%
Furniture	10%-15%
Vehicles	15%
Decores	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.(production of series are not completed)

**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 issue 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 D 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 Company)

**Notes to the (Unaudited) condensed interim financial statements**  
**March 31st 2019**  
(Expressed in Jorania Dinar)

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**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, 2018 to September 30, 2019

**5. Financial Instruments**

**Share capital risks management**

The Company manages its capital to make sure that the Company will continue when it is take the highest return by the best limit for debts and owners' equity balances the Company overall strategy did not change from 2018.

Structuring of Company's capital includes debt which includes borrowing, and the owners' equity in the Company which includes share capital, statutory reserve, and accumulated losses and partner's current account as it listed in the changes in owners' equity statement.

**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**  
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**Notes to the (Unaudited) condensed interim financial statements**  
**March 31st 2019**  
**(Expressed in Joranian Dinars)**

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**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 Financial Statments**

The financial statements were approved by the Board of Directors and authorized for issuance on April 25 2019.