شركة الديرة للإستثمار و التطوير العقاري
DEERA INVESTMENT & REAL ESTATE DEVELOPMENT CO.
ديرة
DEERA

الرقم: 146/1/4/2
التاريخ: 2020/6/30

السادة هيئة الأوراق المالية المحترمين.
السادة بورصة عمان المحترمين.

الموضوع: الافصاح.

تحية طيبة وبعد،
اشارة الى الموضوع اعلاه، مرفق القوائم المالية الموحدة للشركة كما هي بتاريخ 2019/12/31 باللغة الانجليزية.

وتفضلوا بقبول فائق الاحترام،،،

الرئيس التنفيذي
محمد العلاوي

DEERA INVESTMENT & REAL ESTATE DEVELOPMENT CO.

بورصة عمان
الدائرة الإدارية والمالية
الديوان
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الرقم المتسلسل: 2238
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DEERA INVESTMENT AND REAL ESTATE DEVELOPMENT GROUP
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2019

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS
DEERA INVESTMENT AND REAL ESTATE DEVELOPMENT GROUP
PUBLIC SHAREHOLDING COMPANY
AMMAN, JORDAN

Opinion

We have audited the consolidated financial statements of the Deera Investment and Real Estate Development Group, which comprise the consolidated statement of the financial position as of 31 December 2019, the consolidated statement of income and the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Deera Investment and Real Estate Development Group as of 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

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

Emphasis of matters

Without qualification in our opinion:

- As stated in Note (2) the financial statements of Subsidiaries Companies, were audited by other auditor as of 31 December 2019, expressed an unqualified opinion on those statements.
- As stated in Note (2), Deera Investment and Real Estate Development Company Increase it’s shares in Amman Tourism and Industrial Investment Company, and transfer the bank interest of Amman Development Company to Al Deera Investment and Real Estate Development Company before completing the procedures of Article (16) of the regulation of governance.
- As stated in Note (12 & 13), there are apartments and lands refer to Deera Investment and Real Estate Development Company Were sold during 2018 & 2019 under a legal authorization documented to Ministry of Justice, amounted 755 000 JD. The management realized the revenus due to the management's conviction that all material risks are transferred to the buyer.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

Evaluating Investment Properties and Lands
Investments in lands represent 52% of the Groups' assets. Moreover, the Group should re-evaluate Its properties when preparing the consolidated financial statements to determine their fair value and reflect the impact of any impairment in value in the statement of income, in line with the requirements of the International Financial Reporting Standards. Accordingly, the Group relies on independent real estate experts to determine the fair value of those investments and reflect any impairment in their value in the consolidated statement of income for that period. Consequently, fair value estimation of these assets was significant to our audit.

Scope of Audit to Address Risks
The followed audit procedures Included understanding the procedures applied by the Group in evaluating investment property, testing the implemented internal control procedures, evaluating the reasonableness of the judgments based on the evaluation of the real estate experts, calculating the average fair value of those evaluations, recording any impairment In their value In the consolidated statement of Income, if any, and reviewing the appropriateness of the disclosure on the fair value of investment property.

Group's Share of Associates' Result
The Group accounts for its share of result from associates at the Group level in accordance with the equity method as stated in Note (6). The Group's Investment in associates, and the Group's share of the associates' results forms a significant element of the consolidated statement of financial position, and the consolidated statement of income. As a result of financial statements for these associates have been audited by other auditors, moreover have Investment Properties, the associates should re-evaluate Its properties when preparing the financial statements to determine their fair value and reflect the impact of any impairment in value in the consolidated statement of income, in line with the requirements of the International Financial Reporting Standards. Accordingly, the Group relies on independent real estate experts to determine the fair value of those investments and reflect any impairments in their value in the statement of income for that period the Group's share of associates'. Consequently, Investment in associates, and Group's Share of Associates' Result was significant to our audit.

Scope of Audit to Address the Risk
The Group's share of associates' results, which is considered a key audit matter to the financial statements, has been audited through our review of the documents available to management that support the calculated amounts. We have also evaluated the reasonableness and adequacy of the preliminary disclosures issued by these companies and discussed the matter with the Group's financial management. Furthermore, our audit procedures included obtaining appropriate audit evidence through communication with the independent auditors of the key associates companies as well as, conducting additional financial and analytical studies on the other associates' results.

Other Information
Management is responsible for the other information. The other information comprises of the information stated in the Annual Report and does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

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

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

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

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

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

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

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit and we remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

The Group maintains proper accounting records, duly organized and in line with the accompanying consolidated financial statements, and we recommend that they be approved by the General Assembly shareholders.

Amman – Jordan
12 April 2020

المجموعة المهنية العربية · محاسبون قانونيون · RSM Jordan · Certified Public Accountants

DEERA INVESTMENT AND REAL ESTATE DEVELOPMENT GROUP
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2019

Assets		**2019**	**2018**
Non - Current Assets	**Notes**	**JD**	**JD**
Property, plant and equipment	3	21 052 677	21 394 644
Intangible assets	4	82 500	78 779
Projects under construction	5	16 797 240	16 405 652
Investment in associates	6	15 377 609	15 403 242
Investment properties	7	9 806 117	9 806 117
Assets held under capital lease	8	6 088 634	5 983 988
Financial assets at fair value through other comprehensive Income	9	886 164	1 392 283
Long-term notes receivable	10	994 082	1 316 010
Long-term checks under collection long-term	11	51 304	58 368
Right of use assets	39	39 727	-
Total Non - Current Assets		**71 176 054**	**71 839 083**
Current Assets			
Assets held for sale	12	-	578 225
Lands held for sale	13	16 390 945	17 515 319
Inventory		236 538	232 565
Other debit balances	14	966 403	485 622
Due from related parties	36	30 327	-
Accounts receivable	15	268 229	643 684
Short-term notes receivable	10	394 758	435 225
Short-term checks under collection	11	115 849	91 675
Cash and cash equivalents	16	38 216	33 824
Total Current Assets		**18 441 265**	**20 016 139**
Total Assets		**89 617 319**	**91 855 222**

		2019	**2018**
	Notes	**JD**	**JD**
Equity and Liabilities			
Equity	17		
Share capital		40 000 000	40 000 000
Share premium		16 400 000	16 400 000
Statutory reserve		2 713 643	2 713 643
Voluntary reserve		175 157	175 157
Fair value reserve		(525 495)	(3 403 808)
(Accumulated losses) Retained earning		(608 649)	3 984 526
Total Company shareholders		**58 154 656**	**59 869 518**
Non-controlling interest		1 417 097	1 074 385
Total Equity		**59 571 753**	**60 943 903**
Non - Current Liabilities			
Long-term loan	18	10 722 234	12 702 870
Long-term murabaha financing facility	19	1 519 141	2 252 570
Long-term capital lease obligations	20	744 233	998 880
Long-term due to related parties	36	5 737 344	6 128 616
Lease liability	39	40 222	-
Total Non - Current Liabilities		**18 763 174**	**22 082 936**
Current Liabilities			
Short-term loan	18	2 689 849	2 405 876
Short-term murabaha financing facility	19	1 059 741	1 130 642
Short-term capital lease obligations	20	352 321	192 695
Short-term due to related parties	36	561 903	2 469 490
Provision for income tax		3 638	3 638
Other credit balances	22	1 343 891	848 904
Accounts payable	23	2 336 559	1 614 692
Advance payments in assets and land held for sale	24	107 746	8 353
Bank overdraft	25	786 199	154 093
Postdated checks	26	2 040 545	-
Total Current Liabilities		**11 282 392**	**8 828 383**
Total Liabilities		**30 045 566**	**30 911 319**
Total Equity and Liabilities		**89 617 319**	**91 855 222**

The accompanying notes from 1 to 41 are an integral part of these consolidated financial statements

	Notes	2019 JD	2018 JD
Operating revenue	27	6 712 133	5 587 190
Operating expenses	27	(5 674 456)	(4 581 364)
Gross profit	27	**1 037 677**	**1 005 826**
Administrative expenses	28	(1 327 297)	(1 045 208)
Selling and marketing expenses	29	(177 380)	(98 453)
Financing costs		(1 070 261)	(516 953)
Group's share of associates	6	(25 633)	59 927
Provision for impairment assets held for sale	12	-	(23 000)
Provision for impairment lands held for sale	13	-	(25 312)
Returned from provision	13	25 312	-
Arbitration case expenses		(801 721)	-
Provision for contingent liabilities		(130 000)	(14 056)
Right of use asset depreciation	39	(7 946)	-
Lease liability interests	39	(1 549)	-
Other revenue	30	654 918	52 717
Loss for the year		**(1 823 880)**	**(604 512)**
Attributable to:			
Company shareholders		(1 585 320)	(507 651)
Non-controlling interest		(238 560)	(96 861)
		(1 823 880)	**(604 512)**
Basic and diluted loss for the year per share	31	**(0.040)**	**(0.013)**

The accompanying notes from 1 to 41 are an integral part of these consolidated financial statements

DEERA INVESTMENT AND REAL ESTATE DEVELOPMENT GROUP
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
31 DECEMBER 2019

	2019 JD	2018 JD
Loss for the year	**(1 823 880)**	**(604 512)**
Other comprehensive income items:		
Change in fair value of financial assets	14 670	(263 457)
(Loss) Gain from sale of financial assets at fair value through other comprehensive income	(144 212)	86 128
Total Loss and comprehensive income for the year	**(1 953 422)**	**(781 841)**
Attributable to:		
Company shareholders	(1 714 862)	(684 980)
Non-controlling interest	(238 560)	(96 861)
	(1 953 422)	**(781 841)**

The accompanying notes from 1 to 41 are an integral part of these consolidated financial statements

DEERA INVESTMENT AND REAL ESTATE DEVELOPMENT GROUP
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2019

	Share capital JD	Share premium JD	Statutory reserve JD	Voluntary reserve JD	Fair value reserve JD	Retained earnings (Accumulated losses) JD	Company shareholders JD	Non-controlling interest JD	Total JD
31 DECEMBER 2017	**40 000 000**	**16 400 000**	**2 713 643**	**175 157**	**(3 521 016)**	**4 786 714**	**60 554 498**	**5 523**	**60 560 021**
Non-controlling interest	-	-	-	-	-	-	-	1 165 723	1 165 723
Loss for the year	-	-	-	-	-	(507 651)	(507 651)	(96 861)	(604 512)
Change in fair value reserve	-	-	-	-	(263 457)	-	(263 457)	-	(263 457)
Loss from sale of financial assets	-	-	-	-	380 665	(294 537)	86 128	-	86 128
31 DECEMBER 2018	**40 000 000**	**16 400 000**	**2 713 643**	**175 157**	**(3 403 808)**	**3 984 526**	**59 869 518**	**1 074 385**	**60 943 903**
Non-controlling interest	-	-	-	-	-	-	-	581 272	581 272
Loss for the year	-	-	-	-	-	(1 585 320)	(1 585 320)	(238 560)	(1 823 880)
Change in fair value reserve	-	-	-	-	14 670	-	14 670	-	14 670
Loss from sale of financial assets	-	-	-	-	-	(144 212)	(144 212)	-	(144 212)
Transferred from fair value reserve	-	-	-	-	2 863 643	(2 863 643)	-	-	-
31 DECEMBER 2019	**40 000 000**	**16 400 000**	**2 713 643**	**175 157**	**(525 495)**	**(608 649)**	**58 154 656**	**1 417 097**	**59 571 753**

The accompanying notes from 1 to 41 are an integral part of these consolidated financial statements

DEERA INVESTMENT AND REAL ESTATE DEVELOPMENT GROUP
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
31 DECEMBER 2019

		2019	2018
Operating activities	**Notes**	**JD**	**JD**
Loss for the year		(1 823 880)	(604 512)
Adjustments for:			
Depreciation and amortization	3،4	598 335	315 898
loss from sale of property, plant and equipment		1 003	-
Group's share of associates	6	25 633	(59 927)
Provision for contingent liabilities		130 000	14 056
Provision for impairment assets held for sale		-	23 000
Provision for impairment lands held for sale		-	25 312
Returned from provision		(25 312)	-
Interest revenue		-	(2)
Financing costs		1 070 261	516 953
Changes in operating assets and liabilities			
Additions on assets held for sale	12	-	(101 567)
Received from sale assets held for sale	12	578 225	2 189 896
Additions on lands held for sale	13	(42 842)	(52 665)
Lands held for sale	13	1 192 528	1 534 113
Other debit balances		(480 781)	501 406
Inventory		(3 973)	(232 565)
Accounts receivable		375 455	(607 855)
Checks under collection		(17 110)	111 755
Notes receivable		362 395	(457 539)
Paid income tax	21	-	(35 744)
Other credit balances		364 987	537 519
Advance payments in assets held for sale		99 393	(200 880)
Accounts payable		664 867	1 097 211
Net cash from operating activities		**3 069 184**	**4 513 863**
Investing activities			
Purchase of property, plant and equipment	3	(257 796)	(5 263 278)
Sale of property, plant and equipment		425	459
Intangible assets		(3 721)	-
Projects under constructions	5	(391 588)	(1 285 903)
Investment properties	7	-	(11 247)
Assets held under capital lease		(104 646)	(1 174 620)
Financial assets at fair value through comprehensive Income		376 577	375 413
Proceeds from interest revenue		-	2
Net cash used in investing activities		**(380 749)**	**(7 359 174)**
Financing activities			
Right of use assets		(39 727)	-
Murabaha financing facility		(804 330)	1 003 866
Loan		(1 696 663)	(1 191 254)
Bank overdraft		632 106	74 171
Capital lease obligations		(95 021)	1 120 075
Due to related parties		(2 272 186)	1 078 520
Non-controlling interest		581 272	1 165 723
Postdated checks		2 040 545	(5 170)
Lease liability		40 222	-
Paid financing costs		(1 070 261)	(516 953)
Net cash used in financing activities		**(2 684 043)**	**2 728 978**
Net change in cash and cash equivalents		**4 392**	**(116 333)**
Cash and cash equivalents at beginning of the year	16	33 824	150 157
Cash and cash equivalents at ending of the year	16	**38 216**	**33 824**

The accompanying notes from 1 to 41 are an integral part of these consolidated financial statements

1) General

The Company was registered at the Ministry of Industry and Trade as a Jordanian public shareholding company under No. (410) on 8 June 2006. The company's share capital is JD 40 000 000.

The Group main activities are acquired and sell properties, Land development, construction of commercial and residential buildings, and other related activities.

The accompanying consolidated financial statement was approved by the Board of Directors in its meeting on 12 April 2020.

2) Significant accountant policies

Basis of preparation of the consolidated financial statements

The accompanying consolidated financial statements are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the Interpretations issued by the International Financial Reporting Interpretations Committee.

The consolidated financial statements are prepared in accordance with the historical cost principle, except for certain financial assets and financial liabilities which are stated at fair value as of the date of the consolidated financial statements.

The consolidated financial statements are presented in Jordanian Dinars, which is the functional currency of the Group.
The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those adopted for the year ended 31 December 2018 except for what is stated in note (39) to the consolidated financial statements.

Principles of consolidation

The consolidated financial statements comprise of the consolidated financial statements of the Group and its subsidiaries where the Company has the power to govern the financial and operating policies of the subsidiaries to obtain benefits from their activities. The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiaries are consolidated in the income statements from the acquisition date, which is the date on which control over subsidiaries is transferred to the Company. The results of operation of the disposed subsidiaries are consolidated in the income statement to the disposal date, which is the date on which the Company loses control over the subsidiaries.

The following subsidiaries have been consolidated:

	Share capital		Nature of	Percentage of ownership	
	2019	2018	Activity	2019	2018
Amman Development for Tourism and Industrial Investment*	7 329 146	4 907 179	Tourism	%76	%76
Al Deera Tower Investment and Real Estate Development	5 348 238	5 348 238	Real estate	%100	%100
Al Itlalah Investment and Real Estate Development	5 340 384	5 340 384	Real estate	%100	%100
Awtad For Contracting Construction	325 000	150 000	Constructions	%100	%100
Al Qaws Electronics and Real Estate Investment	100 000	100 000	Real estate	%100	%100
Al Zanbq Investment and Real Estate Development	10 000	10 000	Real estate	%100	%100
Al Samq Investment and Real Estate Development	10 000	10 000	Real estate	%100	%100
Al Saqi Investment and Real Estate Development	10 000	10 000	Real estate	%100	%100
Al Nasaem Investment and Real Estate Development	10 000	10 000	Real estate	%100	%100

* Deera Investment and Real Estate Development Company Increase its shares in Amman Tourism and Industrial Investment Company amount 5 532 151 JD during 2018 & 2019, and transfer the bank interest of Amman Development Company to Al Deera Investment and Real Estate Development Company amount 1 054 097 JD as of 31 December 2019 (2018: 1 436 218 JD), before completing the procedures of Article (16) of the governance regulations.

Noting that the financial statements for the year 2018 were approved in accordance with The General Assembly decision held on 27 April 2019, The General Assembly meeting included a detailed of the investment and interest carrying .

Segment reporting

Business segments represent distinguishable components of the Group that are engaged in providing products or services which are subject to risks and rewards that are different from those of other segments and are measured based on the reports sent to the chief operating decision maker.

Geographical segments are associated to products and services provided within a particular economic environment, which are subject to risks and rewards that are different from those of other economic environments.

Property, plant and equipment

Property and equipment are stated at cost net of accumulated depreciation and any impairment loss in its value, Moreover Property and Equipment (except for land) are depreciated according to the straight- line method over the estimated useful lives when ready for use of these assets using the following annual rates:

	%
Machinery and equipment	15
Buildings	2
Playgrounds & Pools	10
Computers & Software	20 - 35
Decorations	9
Tools	10
Tools and kitchen supplies	20
Furniture	10 - 15
Vehicles	15
Caravans	10

When the carrying amount of property and equipment exceeds their recoverable value, assets are written down and impairment loss is recorded in the consolidated statement of income.

- The useful lives of property and equipment are reviewed at the end of each year, in case the expected useful life is different from what was determined before the change in estimate is recorded in the following years being a change in estimates.
- Property and equipment are derecognized when disposed or when there is no expected future benefit from their use.

Intangible assets

Intangible assets, which have definite useful lives, are amortized over their useful lives. Amortization is recognized in the consolidated statement of comprehensive income; however, intangible assets without definite useful lives should not be amortized and are required to be tested for impairment as of the date the consolidated financial statement. Impairment loss shall be recognized in the consolidated statement of comprehensive income.

Projects under construction

Projects in progress are stated at cost, which represents cost of constructions, equipment and direct costs. Projects in progress are not depreciated until they become ready for use where it is transferred to property and equipment or investment properties.

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the statement of financial position date, measured based on the proportion of contract costs incurred for work performed to date including the project office expenses relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed on with the employer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately, in the consolidated statement of income.

Investment in Associate

Associate is those in which the Group exerts significant influence over the financial and operating policy decisions, and in which the Group holds between 20% and 50% of the voting rights.
Investment in associated Group is accounted for according to the equity method.
Transactions and balances between the Group up and the associate is eliminated to the extent of the Group's ownership in the associate.

Investment properties

Investment properties are stated at cost net of accumulated depreciation and any impairment in their value and are disclosed their fair value. Furthermore, these Investments are depreciated based on their useful lives at an annual rate of 2%. Any Impairment In their value is taken to the consolidated statement of Income and other comprehensive Income, while operating revenues and expenses relating to this investment are recognized in he
Consolidated statement of Income and other comprehensive Income.
If the fair value of the Investments for which an Impairment provision has been taken in the previous periods increases, the previously recorded are recovered impairment losses at no more than their cost.

Financial assets at fair value through other comprehensive Income

These financial assets represent the investments in equity instruments held for the long term.

These financial assets are recognized at fair value plus transaction costs at purchase date and are subsequently measured at fair value in the consolidated statement of comprehensive income and within owner's equity including the changes in fair value resulting from translation of non-monetary assets stated in foreign currency. Gain or loss from the sale of these investments or part of them should be recognized in the consolidated statement of comprehensive income and within owner's equity and the balance of the revaluation reserve for these assets should be transferred directly to the retained earnings not to the consolidated statement of income.
Dividends are recorded in the consolidated statement of income.

Assets held for sale

Assets held for sale are measured at the lower of cost and net realizable value.
Assets held for sale costs comprise all costs of conversion and other costs incurred to acquire the assets by the Group.
Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Accounts Receivable

Accounts receivable are stated at net realizable value after deducting a provision for expected credit loss.
A provision for expected credit loss is booked when there is objective evidence that the Company will not be able to recover whole or part of the due amounts at the end of the year. When the Company collects previously written-off debts, it recognizes the collected amounts in other revenues in the consolidated statement of income and comprehensive Income. Furthermore, revenue and commission from expected credit loss are suspended and recognized as revenue upon collection.

Moreover, debts are written-off when they become uncollectible are derecognized

Cash and cash equivalents

Cash and cash equivalents comprise cash on, and balances at banks and deposits at banks maturing within three months, less bank overdrafts and restricted balances.

Related parties

Transactions with related parties represent transfer of resources, services, or obligations between related parties. Terms and conditions relating to related party transactions are approved by management.

Loans

All term loans are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and bonds are subsequently measured at amortized cost using the effective interest method.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Income Taxes and National Contribution

Income tax expenses represent current and deferred taxes for the year.

Income tax expense is measured based on taxable income. Taxable income differs from income reported in the consolidated financial statements, as the latter includes non-taxable revenue, tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses approved by tax authorities and items not accepted for tax purposes or subject to tax.

Taxes are calculated based on the enacted tax rates according to the prevailing laws, regulations and instructions of The Hashemite Kingdom of Jordan.

Deferred taxes are Taxes expected to be incurred or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and their respective tax basis. Deferred taxes are calculated based on the liability method, and according to the rates expected to be enacted when it is anticipated that the liability will be settled or when tax assets are recognized.

Accounts Payable and Accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Offsetting

Financial assets and financial liabilities are offset, the net amount is presented in the consolidated statement of financial position only when there is a legal right to offset the recognized amounts, and the Group intends to either settle them on a net basis or to realize the assets and settle the liabilities simultaneously.

Provisions

Provisions are recognized when the Group has an obligation as of the date of the consolidated financial statements as a result of past events, the obligation is likely to be settled, and a reliable estimate can be made of the amount of the obligation.

Provision for employees' end-of-service indemnity

The required provision for end-of-service indemnity for the year is recorded in the consolidated statement of income while payments to departing employees are deducted from the provision amount, Indemnities paid in excess of the provision is taken to the consolidated statement of income upon payment while the required provision for end-of-service indemnities for the year is recorded in the consolidated statement of income.

Recognition of Financial Assets Date

Purchases and sales of financial assets are recognized on the trading date (which is the date on which the Group commits itself to purchase or sell the asset).

Impairment in Financial Assets

The Group reviews the value of financial assets on the date of the consolidated statement of financial position in order to determine if there are any indications of impairment in their value individually or in the form of a portfolio, in case such indications exist the recoverable value is estimated so as to determine the impairment loss.
Impairment is determined as follows:

- The impairment in the financial assets recorded at amortized cost is determined on the basis of the present value of the expected cash flows discounted at the original interest rate.
- The impairment in the financial assets at cost is determined by the difference between book value and the present value of the expected future cash flows discounted in effective market price on any other similar financial assets.
- Impairment is recorded in the consolidated statement of income as does any surplus that occurs in subsequent years that is due to a previous impairment of the financial assets in the consolidated statement of income.

Fair Value

Fair value represents the closing market price (Assets Purchasing / Liabilities Selling) of financial assets and derivatives on the date of the consolidated financial statements.
In case declared market, prices do not exist active trading of some financial assets and derivatives is not available or the market is inactive fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.
- Analysis of the present value of expected future cash flows for similar instruments.
- Adoption of the option pricing models.
- Evaluation of long-term assets and liabilities that bear no interest through discounting cash flows and amortizing premium / discount using the effective interest rate method within interest revenue / expense in the consolidated statement of income.

The valuation methods aim to provide a fair value reflecting the market's expectations taking into consideration the market expected risks and expected benefits when the value of the financial assets. When the financial assets fair value can't be reliably measured, they are stated at cost less any impairment.

Revenue Recognition and Expenses Realization

Revenue is recognized when contracts are signed and handing over the lands and apartments to the buyer and all the following conditions are satisfied:
The entity has transferred to the buyer the significant risks and rewards of ownership of the Goods, the entity retains regardless continuing administrative involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, and It is probable that the economic benefits associated with the transaction will flow to the entity.

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Project income is recognized on a percentage-of-completion basis Moreover plus a percentage of cost, in particular with respect to the timing of recognition of profit and the amount of recognized profit.

Dividend revenue from investments is recognized when the shareholder's right to receive payment is established.

Expenses are recognized on an accrual basis.

Foreign Currency

Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transaction.
Financial assets and financial liabilities denominated in foreign currencies are translated at the average exchange rates prevailing on the balance sheet date and declared by the Central Bank of Jordan.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

Accounting estimates

Preparation of the consolidated financial statements and the application of the accounting policies requires the management to perform assessments and assumptions that affect the amounts of financial assets, financial liabilities, and fair value reserve and to disclose contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the fair value shown in the consolidated statement of other comprehensive income and owners' equity. In particular, this requires the Group management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the said assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

3) Property, plant and equipment

	Cost 2018	Additions	Disposal	Cost 2019	Accumulated depreciation 2018	Depreciation	Disposal Depreciation	Accumulated depreciation 2019	Book Value 2019	Book Value 2018
Lands	10 072 349	-	-	10 072 349	-	-	-	-	10 072 349	10 072 349
Machinery & equipment	84 232	8 216	(2 175)	90 273	54 088	8 678	(747)	62 019	28 254	30 144
Furniture	566 070	27 989	-	594 059	170 038	61 805	-	231 843	362 216	396 032
Vehicles	149 789	43 500	-	193 289	41 036	20 857	-	61 893	131 396	108 753
Caravans	32 962	-	-	32 962	7 738	1 549	-	9 287	23 675	25 224
Buildings	7 136 267	83 142	-	7 219 409	57 570	143 446	-	201 016	7 018 393	7 078 697
Playgrounds & Pools	708 107	967	-	709 074	32 786	14 164	-	46 950	662 124	675 321
Tools and kitchen supplies	94 055	1 902	-	95 957	4 355	5 205	-	9 560	86 397	89 700
Computers & Software	200 986	11 463	-	212 449	32 571	41 999	-	74 570	137 879	168 415
Decorations	1 232 041	641	-	1 232 682	51 341	49 363	-	100 704	1 131 978	1 180 700
Tools	1 645 640	79 976	-	1 725 616	76 331	251 269	-	327 600	1 398 016	1 569 309
Total	**21 922 498**	**257 796**	**(2 175)**	**22 178 119**	**527 854**	**598 335**	**(747)**	**1 125 442**	**21 052 677**	**21 394 644**

4) Intangible assets

	2019	2018
	JD	JD
Trademarks	**82 500**	**78 779**

5) Projects under construction

	2019	2018
	JD	JD
Lands	3 858 000	3 858 000
Construction costs	12 939 240	12 547 652
	16 797 240	**16 405 652**

The details of movement on Projects under construction as follows:

	2019	2018
	JD	JD
Beginning balance	16 405 652	31 417 851
Additions	391 588	1 285 903
Transferred from property, plant and equipment	-	4 370
Transferred to property, plant and equipment	-	(16 302 472)
Ending balance	**16 797 240**	**16 405 652**

This item almost represents the cost of land, the design of work construction, and other direct expenses to execution the commercial tower project of the Al Deera Tower Investment And Real Estate Development under a financing lease contract for a plot of land with Al Deera Investment And Real Estate Development Company on 4 September 2008.
The land and the project it is mortgaged to the Jordan Islamic bank for the loan granted to al deera tower investment and real estate development.
The estimated cost to complete the projects is 1 700 000 JD, and it is expected to be completed during year 2020.

The fair value of the project has been assessed by two real state evaluators equivalents an average amount of 24 197 600 JD as of 31 December 2019 (2018: 21 177 075 JD).

6) Investment in associates

	Nature of Activity	Percentage of ownership 2019	Percentage of ownership 2018	2019 JD	2018 JD
Al Deera Pearl	Real state	%49	%49	9 218 101	9 231 104
Rawabi Deera	Real state	%49	%49	6 159 508	6 172 138
				15 377 609	**15 403 242**

The following table illustrates the movement on the investments in associates:

	Beginning Balance JD	Group's share of associates JD	Ending Balance JD
31 DECEMBER 2019			
Al Deera Pearl Investment and Real Estate Development	9 231 104	(13 003)	9 218 101
Rawabi Deera Investment and Real Estate Development	6 172 138	(12 630)	6 159 508
	15 403 242	**(25 633)**	**15 377 609**
31 DECEMBER 2018			
Al Deera Pearl Investment and Real Estate Development	9 149 088	82 016	9 231 104
Rawabi Deera Investment and Real Estate Development	6 194 227	(22 089)	6 172 138
	15 343 315	**59 927**	**15 403 242**

Associates' companies assets and liabilities:

	Al DEERA PEARL JD	RAWABI Al DEERA JD
2019		
Current Assets	3 958 066	562 414
Non - Current Assets	14 898 538	13 174 436
Non - Current Liabilities	(43 477)	(109 600)
Equity	**18 813 127**	**13 627 250**
2018		
Current Assets	3 952 465	601 196
Non - Current Assets	14 898 541	13 174 436
Non - Current Liabilities	(11 343)	(122 606)
Equity	**18 839 663**	**13 653 026**

Associates' companies result of the operations:

2019	Al DEERA PEARL JD	RAWABI Al DEERA JD
Administrative expenses	(26 536)	(27 137)
Other revenue	-	1 361
Loss for the year	**(26 536)**	**(25 776)**
The Group's share of the results operations	**(13 003)**	**(12 630)**
2018		
Operating revenue	900 000	-
Cost revenue	(916 278)	-
Administrative expenses	(77 462)	(47 782)
Other revenue	-	2 702
Loss for the year	**(93 740)**	**(45 080)**
Group's share from loss 49%	(45 933)	(22 089)
The impact of elimination entries	127 949	-
The Group's share of the results operations	**82 016**	**(22 089)**

7) Investment properties

	2019 JD	2018 JD
Lands	9 794 870	9 794 870
Concrete lands	11 247	11 247
	9 806 117	**9 806 117**

The fair value of the Lands has been assessed by two real state evaluators equivalents an average amount of 10 838 400 JD as of 31 December 2019 (2018: 11 110 000 JD).

8) Assets held under capital lease

	2019 JD	2018 JD
Lands	4 685 000	4 685 000
Capitalized financing expenses	1 015 906	911 260
Capitalized expenses	387 728	387 728
	6 088 634	**5 983 988**

The details of movement on Assets held under capital lease as follows:

	2019	2018
	JD	JD
Beginning balance	5 983 988	4 809 368
Additions	-	1 146 020
Capitalized financing expenses during the year	104 646	28 600
Ending balance	**6 088 634**	**5 983 988**

On 15 November 2011, Al Nasaem for Investment and Real Estate Development signed land financial leasing contract with the Specialized Leasing Company for an amount of JD 3 600 000 with down payment an amount of JD 850 000 on the date of signing the agreement, the installment was due on 15 May 2014.

During year 2014, the Group was paid an amount of JD 3 000 000, and the contract was rescheduled to installment where the value of installment is JD 540 000 due on 15 May 2015.

During year 2015, the Group was paid an amount of 547 000, and the contract was rescheduled to installment where the value of installment is JD 60 500 due on 15 May 2016. On 19 July 2016, the contract was rescheduled to installment where the value of installment is JD 67 000 due on 15 May 2017.
The contract was rescheduled to installment where the value of installment is JD 78 200 due on 15 November 2019. In 13 January 2019, the Group was paid an amount of JD 8 000, and the contract was rescheduled to installment where the value of installment is JD 79 850 due on 13 January 2020.

On 17 October 2019, Al Deera Investment and Real Estate Development Company signed land financial leasing contracts with Safwa Islamic Bank to finance the purchase of the land plot no. (35) Abu Rukba Basin No. (23) of the territory of Al Salt, amount 1 100 000 JD (Note 20).

The balance of the liabilities arising from assets held under capital lease (Deera's Land) is 1 016 988 JD as of 31 December 2019 (Note 20).

The fair value of the rented lands has been assessed by two real state evaluators equivalents an average amount of 7 293 175 JD as of 31 December 2019 (2018: 7 740 300 JD).

9) Financial assets at fair value through other comprehensive Income

	2019	2018
	JD	JD
Quoted financial assets	823 101	1 329 220
Unquoted financial assets*	63 063	63 063
	886 164	**1 392 283**

*This item represents the shares of companies that do not have market prices.

10) Notes receivable

	2019	2018
	JD	JD
Past due impaired	6 271	5 865
1 – 3 months	87 359	100 486
4 – 6 months	100 281	109 356
7 – 9 months	101 097	113 843
10 – 12 months	99 750	105 675
From 1 to 2 years	396 229	429 577
From 2 to 3 years	337 649	381 045
From 3 to 4 years	167 207	309 347
From 4 to 5 years	74 211	138 006
From 5 to 6 years	18 786	53 895
From 6 to 7 years	-	4 140
	1 388 840	**1 751 235**

11) Checks under collection

	2019	2018
	JD	JD
1 – 3 months	41 162	31 531
4 – 6 months	31 445	24 505
7 – 9 months	22 226	20 547
10 – 12 months	21 016	15 092
From 1 to 2 years	31 064	41 064
From 2 to 3 years	15 240	14 064
From 3 to 4 years	5 000	3 240
	167 153	**150 043**

12) Assets held for sale

	2019	2018
	JD	JD
Apartments *	**-**	**578 225**

*There are two apartments refer to Deera Investment and Real Estate Development Company Were sold during year 2018 under a legal authorization documented to Ministry of Justice, amounted 200 000 JD. The management realized the revenus due to the management's conviction that all material risks are transferred to the buyer.

The details of movement on assets held for sale as follows:

	2019	2018
	JD	JD
Beginning balance	578 225	2 689 554
Additions	-	101 567
Provision for assets held for sale	-	(23 000)
Transferred to cost of sales	(578 225)	(2 189 896)
Ending balance	**-**	**578 225**

13) Lands held for sale

	2019	2018
	JD	JD
Lands**	16 365 633	17 540 631
Provision for impairment	-	(25 312)
Returned from provision	25 312	-
	16 390 945	**17 515 319**

**There are two lands refer to Deera Investment and Real Estate Development Company Were sold during years 2019,2018 under a legal authorization documented to Ministry of Justice, amounted 555 000 JD. The management realized the revenus due to the management's conviction that all material risks are transferred to the buyer.

The details of movement on assets held for sale as follows:

	2019	2018
	JD	JD
Beginning balance	17 515 319	19 022 079
Additions	42 842	52 665
Transferred to cost of sales	(1 192 528)	(1 534 113)
Returned from provision	25 312	-
Provision for impairment	-	(25 312)
Ending balance	**16 390 945**	**17 515 319**

The fair value of the Lands held for sale has been assessed by two real state evaluators equivalents an average amount of 24 297 740 JD as of 31 December 2019 (2018: 29 901 459 JD).

14) Other debit balances

	2019 JD	2018 JD
Advance payment to supplier	132 948	217 926
Refundable deposits	153 641	137 221
Commercial apartments	44 569	44 569
Retentions	282 682	41 817
Prepaid expenses	87 302	38 264
Income tax deposits	14 515	23 609
Cash margins	107 813	11 550
Staff receivable	10 471	7 661
Advance payments on investment	7 574	7 574
Others	169 457	-
	1 010 972	**530 191**
Provision for impairment	(44 569)	(44 569)
	966 403	**485 622**

15) Accounts receivable

	2019 JD	2018 JD
Dunes Club members	190 001	138 817
Weddings and Events receivable – Dunes club	60 364	122 977
Other accounts receivable	17 864	5 538
Jordanian Armed Forces	-	376 352
	268 229	**643 684**

16) Cash and cash equivalents

	2019 JD	2018 JD
Currents account	31 363	26 547
Cash on hands	4 630	5 324
Credit Cards	2 223	1 953
	38 216	**33 824**

17) **Equity**

Share capital
The authorized and share capital of the Company is 40 000 000 JD divided into 40 000 000 shares at 1 JD per share.

Share premium
This amount 16 400 000 JD represents the difference between the par value of the shares issued and their issue price at the date of issuance.

Statutory reserve
Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals one quarter of the subscribed capital However, the Company may, with the approval of the General Assembly, continue to deduct this annual ratio until this reserve equals the subscribed in full. Such reserve is not available for dividends distribution.

Voluntary reserve
This account represents cumulative appropriations not exceeding 20% of the annual profit before taxation per year. This reserve is available for distribution to shareholders.

18) Loan

	2019		2018	
	Maturing during the year JD	Maturing during more than a year JD	Maturing during the year JD	Maturing during more than a year JD
Capital bank of Jordan	**2 689 849**	**10 722 234**	**2 405 876**	**12 702 870**

During the year 2017, Amman Development For Tourism and Industrial Investment Company granted loan by Capital Bank with an amount of JD 16 300 000, bearing an annual average interest rate between 6.5% per annum, without commission rate, to finance the purchase of the land plot No. (1200) in Al Ghabasha from the territory of southern Amman village of Al Yadouda along with the buildings constructed on it, as well as a Deera Investment And Real Estate Development guarantee, the loan contracts are repayable over 90 equal monthly installments each of JD 230 050, The first installment was due on 31 January 2018.

19) Murabaha financing facility

	2019		2018	
	Maturing during the year JD	Maturing during more than a year JD	Maturing during the year JD	Maturing during more than a year JD
Jordan Islamic Bank	555 491	492 922	498 421	931 413
Safwa Islamic Bank	504 250	1 026 219	632 221	1 321 157
	1 059 741	**1 519 141**	**1 130 642**	**2 252 570**

Al Deera Tower Investment and Real Estate Development was granted a Murabaha credit facilities 8 850 000 JD from Jordan Islamic Bank with a Murabaha rate of 6.8% per annual, the facilities term was 7 years including 2 years' grace period the land is mortgaged into favor of Jordan Islamic Bank. During the year 2017 the credit facilities was rescheduled to installment where the value of installment over 48 equal monthly installments each of 39 000 JD, The first installment was due on 28 February 2018 and the last installment due on 29 January 2022.

During the year 2017, Amman Development For Tourism and Industrial Investment Company granted Facilities by Safwa Islamic bank to finance the goods importation on the basis of open account, or Letter of credit, and or check under collection with an amount of 2 000 000 JD, In order to carry out the maintenance, operation and development of the Dunes Club project, each financing is due within the ceiling granted within 5 years, the Facilities are repayable over 10 equal semi-annual installments, these facilities are guaranteed by first-class mortgage amounted to 2 000 000 JD on the land plot No. (36) Abu Rukba Basin No. (23) of the territory of Al Salt, in addition to personal guarantee by the Chairman of the Board of Directors Mr. Mohammed Yousuf Al Tarawneh, and Deera Investment And Real Estate Development Company guarantee.

20) Capital lease obligations

	2019		2018	
	Maturing during the year JD	Maturing during more than a year JD	Maturing during the year JD	Maturing during more than a year JD
Specialized Leasing Company	79 566	-	79 200	-
Safwa Islamic Bank	272 755	744 233	113 495	998 880
	352 321	**744 233**	**192 695**	**998 880**

This item represents the Group capital lease obligation as of 31 December 2019.
On 17 October 2018 Al Deera Investment and Real Estate Development Company signed land financial leasing contracts with Safwa Islamic Bank to finance the purchase of the land plot no. (35) Abu Rukba Basin No. (23) of the territory of Al Salt, amount 1 100 000 JD for 5 years includes 6 months as a grace period, the first installment was due on 16 November 2018 and the last installment due on 16 November 2023.

21) Income tax and national contribution

Al Deera Investment and Real Estate Development

No income tax provision has been provided for the year ended 31 December 2019 due to increase in the deductible expenses on the taxable income.

The income tax rate in Jordan is 20% + 1% national contribution tax.

The Income and Sales Tax Department accepted the tax returns for the year ended 31 December 2018 according to the sampling system in 29 August 2019.

The tax returns for the year ended 31 December 2017 have been submitted, however, the returns have not been reviewed by the Income and Sales Tax Department until the date of these consolidated financial statements.

The Company has reached to a final settlement with the Income and Sales Tax Department up to the end of the year 2016.

Al Itlalah Investment and Real Estate Development

No income tax provision has been provided for the year ended 31 December 2019 due to increase in the deductible expenses on the taxable income.

The income tax rate in Jordan is 20% + 1% national contribution tax.

The tax returns for the year ended 31 December 2018 have been submitted, however, the returns have not been reviewed by the Income and Sales Tax Department until the date of these consolidated financial statements.

The Company has reached to a final settlement with the Income and Sales Tax Department up to the end of the year 2017.

Awtad For Contracting Construction

No income tax provision has been provided for the year ended 31 December 2019 due to increase in the deductible expenses on the taxable income.

The income tax rate in Jordan is 20% + 1% national contribution tax.

The Company has reached to a final settlement with the Income and Sales Tax Department up to the end of the year 2018.

Al Zanbq Investment and Real Estate Development, Al Samq Investment and Real Estate Development, Al Saqi Investment and Real Estate Development, Al Qaws Electronics and Real Estate Investment, Al Deera Tower Investment and Real Estate Development Al Nasaem For Investment and Real Estate Development

No income tax provision has been provided for the year ended 31 December 2019 due to increase in the deductible expenses on the taxable income.

The income tax rate in Jordan is 20% + 1% national contribution tax.

The Company has reached to a final settlement with the Income and Sales Tax Department up to the end of the year 2018.

Amman Development for Tourism and Industrial Investment

No income tax provision has been calculated for the year ended 31 December 2019 due to increase in the deductible expenses on the taxable income.

The tax returns for the year ended 31 December 2018 have been submitted, however, the returns have not been reviewed by the Income and Sales Tax Department until the date of these consolidated financial statements.

The Company has reached to a final settlement with the Income and Sales Tax Department up to the end of the year 2017.

22) Other credit balances

	2019	2018
	JD	JD
Accrued expenses	591 070	210 735
Unearned revenues	380 525	387 476
Contingent liabilities provision	130 000	-
Shareholders' deposits	91 510	91 979
Contractor retentions	29 766	94 639
Social security payable	50 739	36 735
legal claims provision	24 393	14 056
Income tax payable	34 038	8 856
End-of-service indemnity provision	6 750	-
Sales tax payable	5 100	4 428
	1 343 891	**848 904**

23) Accounts payable

	2019	2018
	JD	JD
Dunes club suppliers and contractors	824 754	1 066 508
Deera Towers suppliers and contractors	270 105	333 531
Deera company suppliers and contractors	398 072	201 866
Accounts Payable and Accruals for legal claim	780 890	-
Other suppliers and contractors	62 738	12 787
	2 336 559	**1 614 692**

24) Advance payments in assets held for sale

	2019	2018
	JD	JD
Advance payments in appartments held for sale	107 746	5 017
Advance payments in lands held for sale	-	3 336
	107 746	**8 353**

25) Bank overdraft

	2019	2018
	JD	JD
Capital Bank of Jordan	782 699	-
Safwa Islamic Bank	3 500	154 093
	786 199	**154 093**

Al Deera Investment and Real Estate Development was granted financing facility from Capital Bank of Jordan with an amount of 700 000 JD , 9.5% intrest rate annually and commission rate 1% annually. Also, during the year Awtad For Contracting Construction was granted loan from capital Bank of Jordan represents of bank guarantees with an amount of 1 500 000 JD and commission rate 1% annually.

26) Postdated checks

	2019	2018
	JD	JD
Short-term postdated checks	**2 040 545**	**-**

This item include many checks for Al Deera Pearl Investment and Real Estate Development (Associate company) with an amount of 1 886 500 JD issuance to due accounts payable for associate company.

27) Operating revenue and expenses

	Operating revenue JD	Operating expenses JD	Gross profit JD
31 DECEMBER 2019			
Land sales	1 554 443	(1 218 990)	335 453
Apartment sales	520 376	(630 516)	(110 140)
Projects under constructions	2 408 650	(1 193 322)	1 215 328
Amman Development company (Dunes Club)	2 228 664	(2 631 628)	(402 964)
	6 712 133	**(5 674 456)**	**1 037 677**
31 DECEMBER 2018			
Land sales	1 226 680	(840 339)	386 341
Apartment sales	2 528 570	(2 227 083)	301 487
Projects under constructions	418 169	(131 800)	286 369
Amman Development company (Dunes Club)	1 413 771	(1 382 142)	31 629
	5 587 190	**(4 581 364)**	**1 005 826**

28) Administrative expenses

	2019 JD	2018 JD
Salaries, wages, and other benefits	830 072	607 614
Licenses and fees	142 537	127 887
Board of Directors' transportation allowances	54 569	58 104
Professional fees	49 640	34 193
Advertising	15 463	9 428
Rent	30 014	30 912
Lawyer fees	34 580	28 284
Depreciation	26 993	26 664
Hospitality	6 595	25 662
Stationary, and printing	13 938	15 883
Banks commissions	7 907	1 109
Electricity and Water	7 727	13 655
Traveling	21 956	12 881
Postage, telecommunication, and internet	20 388	10 830
Others	16 776	10 669
Donations	10 220	8 700
Maintenance	1 617	6 919
Cars expenses	17 663	1 197
Commissions	8 590	3 390
Prior years tax expenses	5 234	6 948
Lands assessment	4 818	2 629
Insurance	-	1 650
	1 327 297	**1 045 208**

29) Selling and marketing expenses

	2019 JD	2018 JD
Salaries and wages	50 754	58 695
Social security	5 960	6 395
Advertising	25 853	24 359
Promotional activities	74 250	-
Others	20 563	9 004
	177 380	**98 453**

30) Other revenue

	2019 JD	2018 JD
Others	655 921	52 715
Loss from sale of property, plant and equipment	(1 003)	-
Interest revenue	-	2
	654 918	**52 717**

31) Basic and diluted loss per share

	2019 JD	2018 JD
Loss for the year Attributable to Company shareholders	(1 585 320)	(507 651)
Weighted average number of outstanding shares	40 000 000	40 000 000
	(0.040)	**(0.013)**

32) Risk management

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Moreover, the Group manages interest rate risks through applying the sensitivity analysis of interest rate instruments in a manner that does not negatively affect net interest income.

The Group also manages its Interest rate risk regularly by evaluating the different alternatives such as funding and renewing current positions and alternative funding.

Currency risks

The Group 's main operations are in Jordanian Dinar. Moreover, currency risk relates to the risk of changes in currency rates that relate to payments denominated in foreign currencies. As for transactions in US Dollars, management believes that the foreign currency risk relating to the US Dollar is immaterial as the Jordanian Dinar (the functional currency) is pegged to the US Dollar.

Credit risk

Credit risk relates to the other party's inability to meet its contractual obligations leading to the incurrence of losses by the Group. Moreover, the Group adopts a policy of dealing with creditworthy parties in order to mitigate the financial losses arising from the Group's default on its liabilities.

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2019 JD	2018 JD
Cash at banks	33 586	28 500
Checks under collection	167 153	150 043
Notes receivable	1 388 840	1 751 235
Accounts receivable	268 229	643 684
Due from related parties	30 327	-
Other debit balances	879 101	447 358
	2 767 236	**3 020 820**

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation.

The following are the contracted maturities of financial liabilities:

31 DECEMBER 2019	Maturing during the year JD	Maturing during more than a year JD	Total JD
Bank overdraft	786 199	-	786 199
Postdated checks	2 040 545	-	2 040 545
Accounts payable	2 336 559	-	2 336 559
Advance payments in assets held for sale	107 746	-	107 746
Other credit balances	963 366	-	963 366
Provision for income tax	3 638	-	3 638
Lease liability	-	40 222	40 222
Due to related parties	561 903	5 737 344	6 299 247
Capital lease obligations	352 321	744 233	1 096 554
Murabaha financing facility	1 059 741	1 519 141	2 578 882
Loan	2 689 849	10 722 234	13 412 083
	10 901 867	**18 763 174**	**29 665 041**
31 DECEMBER 2018			
Bank overdraft	154 093	-	154 093
Accounts payable	1 614 692	-	1 614 692
Advance payments in assets held for sale	8 353	-	8 353
Other credit balances	461 428	-	461 428
Provision for income tax	3 638	-	3 638
Due to related parties	2 469 490	6 128 616	8 598 106
Capital lease obligations	192 695	998 880	1 191 575
Murabaha financing facility	1 130 642	2 252 570	3 383 212
Loan	2 405 876	12 702 870	15 108 746
	8 440 907	**22 082 936**	**30 523 843**

33) Fair Value of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and cash equivelant, checks under collection, notes recivable, accounts receivable, due from related parties, and some other debit balances.

Financial liabilities consist of bank overdraft, postdated checks, accounts payable, and advance payments in assets held for sale, other credit balances, provision for income tax, due to related parties, capital lease obligations, and murabaha financing facility.

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

34) Segmental Information

A. Information on the Group's Operating Segments

Segmental information for the basic sectors:
For management purposes, the Group is organized into one major business segment:
Investment properties: Principally trading and renting properties and land owned by the Group.

B. Information on Geographical Distribution:
This note represents the geographical distribution of the Group operations. Moreover, the Group conducts its operations mainly in the Kingdom, representing local operations.

	Investment Properties JD	Constructions JD	Tourism Investments JD	Total JD
31 DECEMBER 2019				
Foreign segment revenues	1 440 641	-	(402 964)	1 037 677
Administrative expenses	(698 920)	(136 100)	(492 277)	(1 327 297)
Selling and marketing expenses	-	-	(177 380)	(177 380)
Financing costs	(1 070 261)	-	-	(1 070 261)
Group's share of associates	(25 633)	-	-	(25 633)
Returned from provision	25 312	-	-	25 312
Arbitration case expenses	(801 721)	-	-	(801 721)
Provision for contingent liabilities	(130 000)	-	-	(130 000)
Right of use asset depreciation	-	(7 946)	-	(7 946)
Lease liability interest	-	(1 549)	-	(1 549)
Other revenues	594 341	339	60 238	654 918
Segment loss before income tax	**(666 241)**	**(145 256)**	**(1 012 383)**	**(1 823 880)**
Total Segment assets	58 775 129	653 220	30 188 970	89 617 319
Investment in associates	15 377 609	-	-	15 377 609
Total segment liabilities	6 207 684	454 367	23 383 515	30 045 566
Capital expenditures	502 111	13 924	241 716	757 751

	Investment Properties JD	Constructions JD	Tourism Investments JD	Total JD
31 DECEMBER 2018				
Foreign segment revenues	974 197	-	31 629	1 005 826
Administrative expenses	(633 203)	(35 690)	(376 315)	(1 045 208)
Selling and marketing expenses	-	-	(98 453)	(98 453)
Financing costs	(516 953)	-	-	(516 953)
Group's share of associates	59 927	-	-	59 927
Provision for contingent liabilities	-	(14 056)	-	(14 056)
Provision for impairment assets held for sale	(23 000)	-	-	(23 000)
Provision for impairment lands held for sale	(25 312)	-	-	(25 312)
Other revenues	3 682	9 483	39 552	52 717
Segment loss before income tax	**(160 662)**	**(40 263)**	**(403 587)**	**(604 512)**
Total Segment assets	61 359 294	221 285	30 274 643	91 855 222
Investment in associates	15 403 242	-	-	15 403 242
Total segment liabilities	5 980 371	52 176	24 878 772	30 911 319
Capital expenditures	2 459 847	-	5 275 201	7 735 048

35) Fair value levels

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1
Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2
Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3
Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

	Level 1 JD	Level 2 JD	Level 3 JD	Total JD
31 December 2018				
Financial assets at fair value	**1 329 220**	**63 063**	**-**	**1 392 283**
31 December 2019				
Financial assets at fair value	**823 101**	**63 063**	**-**	**886 164**

36) Related party transactions

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties.
Pricing policies and terms of these transactions are approved by the Group's management. Balances with related parties included in the consolidated financial statements are as follows:

Due from related parties

	Nature of the relationship	2019 JD	2018 JD
Al Deera Pearl Investment and Real Estate Development **	Associate	25 327	-
Al-Sheraa Real Estate Development and Investment	Shareholder	5 000	-
		30 327	**-**

Long-term due to related parties

	Nature of the relationship	2019 JD	2018 JD
Antarketeka General Trading Company*	Sister	**5 737 344**	**6 128 616**

*The net amount payments to the Group's accounts amounted to 5 737 344 JD, in addition these payments are non-interest bearing until the end of 2020.

Short-term due to related parties

	Nature of the relationship	2019 JD	2018 JD
Al Rawabi Deera Investment and Real Estate Development	Associate	561 903	586 741
Al Deera Pearl Investment and Real Estate Development	Associate	-	1 882 749
		561 903	**2 469 490**

Compensation of key management personnel of the Group is as follows:

	2019 JD	2018 JD
Salaries and other benefits	**183 271**	**182 932**

37) Contingent liabilities

	2019 JD	2018 JD
Letters of guarantee	500	10 500
Letters of credit	-	450 000
	500	**460 500**

38) Capital management

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

The Grooup manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2019 and 2018.

Capital comprises share capital, share premium, statutory reserve, voluntary reserve, fair value reserve, retained earnings (accumulated losses), and non-controlling interest and is measured at 59 571 753 JD as at 31 December 2019 (2018: 60 943 903 JD).

39) Amendments with no material effect on the consolidated financial statements of the company:

Amendment to IFRS 3 "Business Combinations" (Effective form on January 1, 2020)
These amendments clarify the definition of business as the International Accounting Standards Board published the conceptual Financial Reporting Framework. This includes revised definitions of assets and liabilities as well as new guidance on measurement, derecognition, presentation and disclosure.
In addition to the amended conceptual framework, the IASB issued amendments to the guidelines on the conceptual framework in the IFRS Standards, which contain amendments to IFRS 2, 3, 6 and 14 and IAS 1 ,34, 37 and 38 and IFRIC 12, Interpretation 19, Interpretation 20 and 22 and Interpretation of the Standing Committee for the Interpretation of Standards No. 32 in order to update those statements with regard to references and quotations from the framework or to refer to a reference to Different from the conceptual framework.

Amendments to IFRS 9: Prepayment Features with Negative Compensation
Under IFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

IFRS 17 "Insurance Contracts" (Effective form on January 1, 2022)
It provides a more consistent measurement and presentation approach to all insurance contracts. These requirements are aimed at achieving a consistent, principled accounting objective for insurance contracts. IFRS 17 replaces IFRS 4 Insurance Contracts.
IFRS 17 requires measurement of insurance liabilities at the present value of the liability.

Amendments to IFRS 10 Financial Statements and IAS 28 "Investment in Associates and Joint Ventures (2011)" (Effective date deferred indefinitely. Adoption is still permitted)
Management expects to apply these new standards, interpretations and amendments to the financial statements of the Company when they are applicable and the adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the initial period of application except for the effect of the adoption of IFRS 16, Shown below:

Amendments that has impact on the consolidated financial statements of the Company
Effect of Application of IFRS 16 “Leases”
The Standard provides a comprehensive model for determining and treating lease arrangements in the financial statements of both lessors and lessees. It will also replace IAS 17 “Leases” and related interpretations when it becomes effective for the financial periods beginning on or after January 1, 2019.

As permitted by the transitional provisions of IFRS 16, the Company will not restate the comparative figures. Any changes in the carrying amount of assets and liabilities at the date of transition are recognized in the opening balances of the related balances.
There is no material difference between the accounting treatment in the lessor’s books between IFRS 16 and IAS 17.
The change in the definition of the lease relates mainly to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the customer controls the use of a specific asset and the control is present if the customer has:

- The right to a substantial degree of all economic benefits arising from the use of specific assets; and
- The right to direct the use of these assets.

Effect of Application of IFRS (16) "Leases"

The Company has adopted IFRS (16), "Leases", which replace the existing guidelines on leases, including IAS (17) "Leases" , IFRIC (4) "Determining whether an arrangement contains a lease "and the interpretation of the previous Interpretations Committee (15)" Operational leases - incentives " and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS (16) was issued in January 2016 and is effective for annual periods commencing on or after 1 January 2019. IFRS (16) stipulates that all leases and the associated contractual rights and obligations should generally be recognize in the Company's financial Position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS (17) "Leases" into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortized over the useful life.

The Company has chosen to use the simplified approach which is permitted under IFRS (16) upon adoption of the new standard. During the first-time application of IFRS (16) to operating leases, the right to use the leased assets was generally measured at the amount of lease liability, using the interest rate at the time of first-time application.
The right of use assets has been measured in an amount equal to the lease obligations, and adjusted by any pre-paid or lease payment that is recognized in the financial position list as of December 31, 2018. No adjustments to the retained earnings, as at January 1st, 2019, were produced under this method. There were no low leases that required an adjustment to the right of use assets at the date of the initial application.
The recognized right of use of leased properties are as of December 31, 2019.

The movement on the right of use assets and lease obligations during the period is as follows:

	Right of use Assets JD	Lease liability JD
Beginning balance	47 673	47 673
Interest during the period	-	1 549
Paid during the period	-	(9 000)
Depreciation for the period	(7 946)	-
Ending balance	**39 727**	**40 222**

The Company's leasing activities and its accounting treatment mechanism:

The Company rents real estates for use in its activities and usually leases for fixed periods ranging from one to thirty years, some of which may include extension options and the lease terms are negotiated on an individual basis and contain a set of different terms and conditions, not including contracts Leases do not contain any obligations and may not be used as collateral for the purposes of borrowing.

Up to the end of the financial year 2018, real estate leases were classified as either an operating lease or a financial lease, and the amounts paid for operating lease contracts are credited to the income statement according to the straight-line method during the lease period.

Starting from the first of January 2019, leases were recognized as assets for use and related obligations on the date when the asset is ready for use by the company, the value of each rental payment is distributed between the leasing obligations and the financing costs, and the financing costs are credited to the income statement during the lease period to achieve a fixed periodic interest rate on the remaining balance of the obligation for each period and the right of use assets are amortized during the productive life of the asset or the lease term, whichever is shorter according to the straight-line method.

The assets and liabilities arising from the leases are initially measured on the basis of the present value, and the lease obligations include the net present value of the following rental payments:

Fixed payments (including built-in fixed payments) minus rental incentives receivable; Variable lease payments based on index or rate; Amounts expected to be paid by the lessee under residual value guarantees; The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Rental payments are deducted using the implied lease interest rate or the tenant's additional borrowing price, if they are not available, which is the rate at which the lessee must pay to borrow the funds needed to obtain an asset of comparable value in a similar economic environment with similar terms and conditions.

Right of use assets are measured at cost comprising the following:

The amount of the initial measurement of lease liability.
Any lease payments made at or before the commencement date less any lease incentives received.
Any initial direct costs.
Return costs (renovation and restoration).

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

In applying IFRS (16) for the first time, the Company has used the following practical expedients permitted by the standard:

The use of a single discount rate to a portfolio of leases with reasonably similar characteristics
Reliance on previous assessments on whether leases are onerous
The accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases

The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
The use of hindsight in determining the lease term where the contract contains or to extend or terminate the lease.
The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying IAS (17) and IFRIC Determining whether an Arrangement contains a Lease.

Significant accounting Estimates and key sources of uncertainty estimates

Preparation of the accompanying consolidated financial statements and the application of accounting policies require from the Company's management to estimate and assess some items affecting financial assets and liabilities and to disclose contingent liabilities. These estimates and assumptions also affect income, expenses, provisions, and the financial assets valuation reserve, and in a specific way, it requires the Company's management to estimate and assess the amounts and timing of future cash flows. The aforementioned estimates are based on several assumptions and factors with varying degrees of consideration and uncertainty. Furthermore, the actual results may differ from the estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

We believe that the estimates used in the consolidated financial statements are reasonable and consistent with the estimates used in preparing the consolidated financial statements for the year 2018 except for the following:

Extension and termination options of lease contracts

Extension and termination options are included in a number of leases. These terms are used to increase the operational flexibility in terms of contract management, most of the retained extension and termination options are exercisable by both the bank and the lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed when there is an important event or a significant change in the circumstances that has an effect on this assessment, and in which it is within the control of the lessee.

Amendments to IAS (28) "Investment in Associates and Joint Ventures"

These amendments relate to long-term shares in allied enterprises and joint ventures.

These amendments clarify that an entity applies IFRS (9) "Financial Instruments" to long-term interests in an associate or joint venture that forms part of the net investment in an associate or joint venture if the equity method has not been applied to it.

Amendments to IAS (19) "Employee Benefits"

These amendments relate to adjustments to plans, reductions, or settlements.

40) Comparative Figures

Some of 2018 balances were reclassified to correspond with 2019 presentation, reclassifications have no effect on the loss and equity for the year ended at 2018.

41) Subsequent events of the Group's consolidated financial statements date:

An event, which could be favorable or unfavorable, that occurs between the end of the reporting period and the date that the financial statements are authorized for issue and two types of events can be identified:

Adjusting event: An event after the reporting period that provides further evidence of conditions that existed at the end of the reporting period, including an event that indicates that the going concern assumption in relation to the whole or part of the enterprise is not appropriate.

Non-adjusting event: An event after the reporting period that is indicative of a condition that arose after the end of the reporting period.

The nature of event:

The spread of the new Corona virus (Covid 19) occurred in the beginning of 2020 following the date of the group's consolidated financial statements, where the World Health Organization announced on 11 March 2020 that the virus has become a global pandemic, causing defect to economic activities and businesses in the local and external markets and the occurrence of closures for most business sectors locally and in a lot of countries in the world, as well, is expected later to disturb the supply and demand of most services and products if things return to normal, as well as possible unwanted effects on the companies' ability to collect receivables on time and a possible decline in inventory and non-current assets and usage rights arising from lease contracts, and on the other side of the support package taken by the government, which is likely to have a positive effect reduces the undesirable effects of the pandemic.

An estimate of its financial impact, or a statement that such an estimate cannot be made:

The management and those responsible for governance continue to monitor the situation in all geographical sectors that affect the group's business in order to take the necessary procedure duly, and the management is currently unable to determine the expected impact objectively due to the inability to define the scope and limits of pandemic effects (Covid 19).

This event is considered to be one of the events occurring after the period of the group's consolidated financial statements that do not require adjustments, and the disclosure was made in accordance with the requirements of the IFRS.