

AL TAJAMOUAT FOR TOURISTIC PROJECTS COMPANY

PUBLIC SHAREHOLDING COMPANY

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2021

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF
AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Al Tajamouat for Touristic Projects Public Shareholding Company and its subsidiary ("the Group") as at 30 June 2021, comprising of the interim condensed consolidated statement of financial position as at 30 June 2021 and the related interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Emphasis of a Matter

Without qualifying our conclusion, we draw attention to note (14) to the interim condensed consolidated financial statements, which describes the potential effect of COVID-19 pandemic on the Groups' operating environment.

Amman – Jordan
28 July 2021



AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	<u>Notes</u>	30 June 2021 JD (Unaudited)	31 December 2020 JD (Audited)
Assets			
Non-Current Assets			
Property and equipment	4	16,151	17,800
Investment properties	5	120,535,561	122,136,011
Deferred tax assets	6	29,700	39,600
Cheques under collection-long term		345,025	540,525
Total Non-Current Assets		120,926,437	122,733,936
Current Assets			
Assets held for sale	7	135,966	135,966
Trade receivables		2,062,332	1,681,429
Other current assets		1,918,943	712,633
Cheques under collection-short term		3,571,943	3,081,313
Cash on hand and at banks	9	3,981,415	4,828,669
Total Current Assets		11,670,599	10,440,010
Total Assets		132,597,036	133,173,946
Equity and Liabilities			
Equity			
Paid in capital	1	93,000,000	93,000,000
Statutory reserve		1,956,981	1,956,981
Retained earnings		9,056,894	8,351,456
Total Equity		104,013,875	103,308,437
Liabilities			
Non-Current Liabilities			
Syndicated loan - long term	10	20,418,546	21,582,746
Postdated Cheques		-	2,124
Tenants refundable deposits		794,711	784,134
Total Non-Current Liabilities		21,213,257	22,369,004
Current Liabilities			
Syndicated loan-short term	10	1,746,300	1,746,300
Postdated Cheques		14,790	258,194
Trade payables and other current liabilities		988,264	979,243
Unearned revenues – short term		4,602,708	4,474,158
Due to related parties	8	17,842	38,610
Total Current Liabilities		7,369,904	7,496,505
Total Liabilities		28,583,161	29,865,509
Total Equity and Liabilities		132,597,036	133,173,946

The attached notes from 1 to 14 form part of these interim condensed consolidated financial statements

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

	Notes	For the three-months ended 30		For the six-months ended 30	
		June		June	
		2021	2020	2021	2020
		JD	JD	JD	JD
Revenues					
Rental revenues		2,765,748	1,446,965	5,456,463	4,068,195
Cost of revenues		(800,713)	(609,983)	(1,544,198)	(1,538,534)
Depreciation of investment properties	5	(803,955)	(803,419)	(1,607,862)	(1,606,754)
Gross profit		<u>1,161,080</u>	<u>33,563</u>	<u>2,304,403</u>	<u>922,907</u>
Depreciation of property and equipment	4	(2,182)	(2,150)	(4,408)	(4,436)
Finance cost		(314,741)	(404,010)	(689,567)	(874,000)
Administrative expenses		(181,414)	(286,283)	(411,161)	(485,223)
Provision for expected credit losses		(201,951)	-	(431,700)	(129,832)
Other income		5,362	-	5,362	11,310
Gain from sale of assets held for sale		-	80,455	-	80,455
Interest income		<u>27,936</u>	<u>873</u>	<u>56,768</u>	<u>873</u>
Profit (loss) for the period before income tax		<u>494,090</u>	<u>(577,552)</u>	<u>829,697</u>	<u>(477,946)</u>
National contribution expense for the period	6	(10,474)	-	(21,179)	(4,425)
Income tax expense for the period	6	<u>(51,187)</u>	<u>(4,950)</u>	<u>(103,080)</u>	<u>(29,859)</u>
Profit (loss) for the period		<u>432,429</u>	<u>(582,502)</u>	<u>705,438</u>	<u>(512,230)</u>
Add: Other comprehensive income items		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>432,429</u>	<u>(582,502)</u>	<u>705,438</u>	<u>(512,230)</u>
		<u>JD / Fils</u>	<u>JD / Fils</u>	<u>JD / Fils</u>	<u>JD / Fils</u>
Basic earnings per share from profit (loss) for the period	11	<u>0,005</u>	<u>(0,006)</u>	<u>0,008</u>	<u>(0,006)</u>

The attached notes from 1 to 14 form part of these interim condensed consolidated financial statements

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

	Paid in capital	Share discount	Statutory reserve	Retained earnings	Total
	JD	JD	JD	JD	JD
For the six-months period ended 30 June 2021					
Balance as of 1 January 2021	93,000,000	-	1,956,981	8,351,456	103,308,437
Total comprehensive income for the period	-	-	-	705,438	705,438
Balance as of 30 June 2021	<u>93,000,000</u>	<u>-</u>	<u>1,956,981</u>	<u>9,056,894</u>	<u>104,013,875</u>
For the six-months period ended 30 June 2020					
Balance as of 1 January 2020	100,000,000	(7,000,000)	1,956,981	8,727,457	103,684,438
Capital decrease (note 1)	(7,000,000)	7,000,000	-	-	-
Total comprehensive income for the period	-	-	-	(512,230)	(512,230)
Balance as of 30 June 2020	<u>93,000,000</u>	<u>-</u>	<u>1,956,981</u>	<u>8,215,227</u>	<u>103,172,208</u>

The attached notes from 1 to 14 form part of these interim condensed consolidated financial statements

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

	Notes	For the six-months ended 30 June	
		2021	2020
		JD	JD
<u>Operating Activities</u>			
Profit (loss) for the period before income tax		829,697	(477,946)
Adjustments			
Depreciation of property and equipment	4	4,408	4,436
Depreciation of investment properties	5	1,607,862	1,606,754
Gain from sale of assets held for sale		-	(80,455)
Interest income		(56,768)	(873)
Finance cost		689,567	874,000
Provision for expected credit losses		431,700	129,832
Changes in Working Capital Items:			
Cheques under collection		(295,130)	997,411
Trade receivables		(812,603)	(545,636)
Other current assets		(1,206,310)	(1,169,820)
Postdated cheques		(245,528)	(63,158)
Unearned revenues		128,550	(721,122)
Trade payables and other current liabilities		35,468	182,916
Related parties		(20,768)	310
National contribution paid		(17,449)	-
Taxes paid		(76,449)	-
Net cash flows from operating activities		996,247	736,649
<u>Investing Activities</u>			
Interest received		56,768	873
Purchases of investment properties	5	(7,412)	(16,904)
Purchases of property and equipment	4	(2,759)	(1,143)
Proceeds from sale of assets held for sale		-	5,600,000
Tenants refundable deposits		10,577	10,330
Net cash flows from investing activities		57,174	5,593,156
<u>Financing Activities</u>			
Repayment of syndicated loan	10	(1,164,200)	(582,100)
Finance cost paid		(736,475)	(307,021)
Net cash flows used in financing activities		(1,900,675)	(889,121)
Net (decrease) increase in cash and cash equivalents		(847,254)	5,440,684
Cash and cash equivalents at the beginning of the period		4,828,669	444,651
Cash and cash equivalents at the end of the period	9	3,981,415	5,885,335

The attached notes from 1 to 14 form part of these interim condensed consolidated financial statements

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2021

(1) GENERAL

AL-Tajamouat for Touristic Projects Company was incorporated during the year 1983 as a Public Shareholding Company. The Company's paid in capital was JD 100,000,000 with a par value of JD 1 per share.

On 26 August 2019, the General Assembly, in its extra ordinary meeting, has approved the reduction of the authorized and paid in capital by JD 7,000,000 against the share discount, to become 93,000,000 shares at a value of one Jordanian Dinar each. The capital reduction procedures were finalized with The Ministry of Trading, Industry and Supply and Amman Stock Exchange on 4 March 2020.

The Company's main activity is owning and operating the mall "TAJ Lifestyle Center" located in Abdoun, Amman – Jordan.

The interim condensed consolidated financial statements were approved by the Board of Directors on 27 July 2021

(2-1) BASIS OF PREPARING THE CONDENSED INTERIM FINANCIAL INFORMATION

The interim condensed consolidated financial statements for the six-months period ended 30 June 2021 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements have been presented in Jordanian Dinars "JD" which is the functional currency of the Group.

The interim condensed consolidated financial statements have been prepared under the historical cost convention.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's annual report as of 31 December 2020. In addition, the results for the six-months period ended 30 June 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

(2-2) BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements comprise the financial statements of AL-Tajamouat for Touristic Projects Company (the Company) and the following wholly owned subsidiary as at 30 June 2021:

Subsidiary Name	Legal form	Country of incorporation	Ownership percentage	
			2021	2020
Al Taj Al Thahabi for Alternative Power Resources Projects*	Limited Liability Company	Jordan	100%	100%

* Al Taj Al Thahabi for Alternative Power Resources Projects (Limited Liability Company) was established in Jordan on 25 February 2019 with an authorized paid in capital of JD 5,000. The subsidiary is fully owned by Al Tajamouat for Touristic Projects Company.

The main objectives of the subsidiary are to invest in renewable energy projects, distribute, purchase, sell and exchange electricity inside and outside Jordan mainly for the Group's own use.

(2-2) BASIS OF CONSOLIDATION (CONTINUED)

The subsidiary did not commence operation since incorporation and up to the date of the interim condensed consolidated financial statements.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interests.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(3) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2020 except for the adoption of new standards effective as of 1 January 2021 shown below:

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

(4) PROPERTY AND EQUIPMENT

The additions to the property and equipment during the six-months period ended 30 June 2021 was JD 2,759 (30 June 2020: JD 1,143). The depreciation expense for the six-months period ended 30 June 2021 was JD 4,408 (30 June 2020: JD 4,436).

(5) INVESTMENT PROPERTIES

This item represents properties owned by Al- Tajamouat for Touristic Projects Company which includes the mall's land site and the mall building (Taj Lifestyle).

The additions to the investment properties during the six-months period ended 30 June 2021 was JD 7,412 (30 June 2020: JD 16,904). The depreciation expense for the investment properties was JD 1,607,862 during the six-months period ended 30 June 2021 (30 June 2020: JD 1,606,754).

As at 31 December 2020, the management estimated the fair value of the investment property using the discounted cash flows method and due to the recent development of the COVID-19 outbreak, management is in the process of updating the forecast of cash flows in order to update the valuation. However, and based on the high-level review of the forecast, management is of the opinion that the fair value of the investment properties exceeds its carrying amount as at 30 June 2021.

The investment properties including the mall (Taj Life Style) are pledged against the syndicated loan (Note 10).

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2021

(6) INCOME TAX

The major components of income tax expense in the interim condensed consolidated statement of comprehensive income for the six months period ended 30 June 2021 and 2020 are as follows:

	For the six months ended 30 June	
	2021	2020
	JD	JD
	(Unaudited)	(Unaudited)
National contribution- previous years	1,871	-
Income tax- previous years	9,409	-
Current period income tax charge	83,771	19,959
National contribution for the period	19,308	4,425
Amortization of deferred tax assets	9,900	9,900
	<u>124,259</u>	<u>34,284</u>

The provision for income tax for the six months period ended 30 June 2021 include 1% as a national contribution. The provision was calculated in accordance with Jordanian Income Tax Law No. (38) of 2018.

Movements on deferred tax assets for the period /year were as follows:

	30 June 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
Beginning balance as of the beginning period/year	39,600	59,400
Amortization of deferred tax assets during the period/ year	<u>(9,900)</u>	<u>(19,800)</u>
	<u>29,700</u>	<u>39,600</u>

The deferred tax assets for the period ended 30 June 2021 was calculated on the carried forward losses approved by Income and Sales Tax Department using effective tax rate at (20%) which is in accordance with the Income Tax Law No. (34) of 2014. The Group agreed with the Income and Sales Tax Department to amortize these losses over agreed annual amount up to the year 2022. The management expects to benefit from the deferred tax assets in the near future.

The Group obtained a final income tax clearance up to the year 2018.

The Group has submitted the income tax returns for the years 2019 and 2020 in accordance with Jordanian Income Tax Law No. (38) of 2018, the returns were not reviewed up to the date of the interim condensed consolidated financial statements.

The Group obtained final clearance from the Income and Sales Tax Department on sales tax until 31 January 2018. The Group has submitted all the tax returns and they were not reviewed up to the date of the interim condensed consolidated financial statements.

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2021

(7) ASSETS HELD FOR SALE

On 4 August 2020, the Group has acquired a plot of land, no. (110) parcel no. (30) located in Al-Salt, Jordan in accordance with the settlement agreement with one of the tenants, the Group obtained a valuation for the land from a third party valuator and has recorded it for its fair value amounted to JD 135,966, the Board of Directors approved the settlement agreement on 16 February 2020.

(8) TRANSACTIONS WITH RELATED PARTIES

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

Pricing policies and terms of the transactions with related parties are approved by the Group's management.

Following is a summary of balances with related parties included in the interim condensed consolidated statement of financial position:

	Nature of relationship	30 June 2021	31 December 2020
		JD (Unaudited)	JD (Audited)
Due to related party			
Bank Al - Khair	Ultimate parent	17,842	38,610

These accounts do not bear interest, not guaranteed and payable on demand.

Salaries and remunerations for key management

The total salaries and bonuses paid to executive management for the period ended 30 June 2021 amounted to JD 64,000 (30 June 2020: JD 92,291).

(9) CASH ON HAND AND AT BANKS

	30 June 2021	31 December 2020
	JD (Unaudited)	JD (Audited)
Cash on hand and at banks*	3,817,488	4,150,857
Cash in guarantee account **	163,927	677,812
	<u>3,981,415</u>	<u>4,828,669</u>

(9) CASH ON HAND AND AT BANKS (CONTINUED)

- * This amount includes a deposit renewed on a monthly basis with a total amount of JD 3,518,392 as of 30 June 2021 with an annual interest rate of 3% (30 June 2020: nil).
- ** This amount consists of cash receipts from the tenants of Taj Life Style which were deposited in a guarantee account for the benefit of the syndicated loan and the related operating expenses of the project, in accordance with the syndicated loan agreement.

(10) SYNDICATED LOAN

On 18 January 2010, the Group signed a JD 40,000,000 syndicated loan agreement managed by The Housing Bank for Trade and Finance. During September 2011 the Group raised an additional financing of JD 20,000,000 to reach JD 60,000,000 in total.

The mall (Taj Lifestyle) and landsite of the mall, which is located in Abdoun, were pledged as a collaterals against this loan.(note 5)

The Group rescheduled the loan several times, the last of which was on 19 December 2019, where the date of the last payment was rescheduled to be November 2029, while the method of calculating interest remained the same where it is calculated using the weighted average prime lending rate of all lenders minus an annual margin of 1.97%.

The quarterly installments amounted to JD 582,100, in addition to the interest are settled in February, May, August and November of each year.

The loan agreement contains covenants relating to financial ratios and others relating to additional borrowings. According to the loan agreement, the Group has to calculate these ratios and ensure compliance with them on an annual basis.

Due to the COVID-19 outbreak, management requested deferring the quarterly installments due in May, August and November 2020 amounting to JD 1,746,300 to be included as a part of the last payment due on 3 November 2029. The interest deferred during this period amounting to JD 1,208,241 was added to the loan balance and will be paid as a part of the loan final payment. The Housing Bank for Trade and Finance approved management's request on 6 April 2020.

On 18 March 2021, the bank agreed to decrease the interest rate by (1%) on the loan by increasing the Margin deducted from the weighted average prime lending rate of all lenders to become 2.97% instead of 1.97%. Accordingly, the interest rate applied on syndicated loan will be 5.46% instead of 6.46% only for 6 months starting from 3 February 2021 till 2 August 2021.

During the period ending on 31 March 2021, the Group did not settle any amounts from the loan as the Group paid the installment that was due on February 2021 amounted to JD 582,100 during the last quarter of the year 2020. On 20 June 2021, the Group settled the installment due in August 2021 with a total amount of JD 582,100.

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(10) SYNDICATED LOAN (CONTINUED)

The allocation of the Group's loan as short term and long term is as follows:

	30 June 2021 JD (Unaudited)	31 December 2020 JD (Audited)
Current	1,746,300	1,746,300
Non-current	20,418,546	21,582,746
	<u>22,164,846</u>	<u>23,329,046</u>

The annual installments amount and due dates for the long-term loan are as follows:

	JD
2022	1,164,200
2023	2,328,400
2024	2,328,400
2025	2,328,400
2026 and after	12,269,146
	<u>20,418,546</u>

(11) BASIC EARNINGS PER SHARE FROM PROFIT (LOSS) FOR THE PERIOD

	For the three months ended 30 June		For the six months ended 30 June	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Profit (loss) for the period (JD)	432,429	(582,502)	705,438	(512,230)
Weighted average number of shares (shares)	<u>93,000,000</u>	<u>93,000,000</u>	<u>93,000,000</u>	<u>93,000,000</u>
	<u>JD/Fills</u>	<u>JD/Fills</u>	<u>JD/Fills</u>	<u>JD/Fills</u>
Basic earnings per share from profit (loss) for the period	<u>0,005</u>	<u>(0,006)</u>	<u>0,008</u>	<u>(0,006)</u>

(12) CONTINGENT LIABILITIES

Guarantees

The Group has issued letters of guarantee amounting to JD 195,560 (31 December 2020: JD 196,000) against cash margin amounting to JD 31,356 as of 30 June 2021 (31 December 2020: JD 31,400).

Legal claims

The Group is a defendant in a number of lawsuits as of 30 June 2021 with a total value of JD 21,975 in addition to other cases with no determined value (2020: JD 21,975). The management has analysed the related risks and the likelihood of occurrence. Accordingly, a full provision has been provided against these claims.

(13) OPERATING SEGMENT

The Group operates in one major operating segment, which represents leasing activities, the balances and services revenue occurred inside of the Hashemite Kingdom of Jordan.

(14) THE SPREAD OF CORONA VIRUS (COVID-19) AND ITS IMPACT ON THE GROUP

On 30 January 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

Management continues to monitor the impact that the COVID-19 pandemic has on the Group, the real-estate industry and the Jordanian economy, in which the Group operates. Below is the main impact of the COVID-19 pandemic on the Group:

a) Revenue recognition and account receivable

Due to the large impact on the Group's operations from the lockdown procedures in Jordan, the Group has recorded additional provision against tenant's revenues and receivable amounting to JD 792,520 including an amount of JD 360,820 as a provision against receivables and leases related to the lockdown period

The Group monitors the receivable and implement an aggressive cash collection measures to monitor and assess the collection in order to maximize the collection from tenants following the events of the ongoing crisis.

(14) THE SPREAD OF CORONA VIRUS (COVID-19) AND ITS IMPACT ON THE GROUP (CONTINUED)

b) Interest-bearing loans

On 18 March 2021, the Bank agreed to decrease the interest rate by (1%) on the loan by increasing the Margin deducted from the weighted average prime lending rate of all lenders to become 2.97% instead of 1.97%. Accordingly, the interest rate applied on syndicated loan will become 5.46% instead of 6.46% only for 6 months starting from 3 February 2021 till 2 August 2021.

c) Impairment of investment property

Management is reviewing the forecast of cash flows on a periodic basis; accordingly, management is of the opinion that the fair value of the investment properties exceeds its carrying amount as of 30 June 2021.

Management will be continuously assessing the existence of impairment indicators including the decrease in stock price, decrease of market interest rates, shop closures and reduced demand and selling prices of equipment and services.

d) Group's liquidity

Management conducted an analysis which indicates that the solvency position is and will likely remain within the Group's targets. Management believes the preparation of the consolidated financial statements on a going concern basis remains appropriate.