



نموذج رقم (5-1)

Form No. (1-5)

Date : 4/8/2020

No. : 226 /2020

To: Messrs Jordan Securities Commission
Messrs Amman Stock Exchange

Subject: Quarterly Report as of 30/6/2020

التاريخ : 2020/8/4

الرقم : 2020/226

السادة هيئة الأوراق المالية المحترمين
السادة بورصة عمان المحترمين

الموضوع: التقرير ربع السنوي كما هي في 2020/6/30

Greet and Respect,,

Attached the Quarterly Report of Al Daman For
Investments as of 30/6/2020.

تحية طيبة,,

مرفق طيه نسخة من البيانات المالية ربع السنوية
لشركة الضمان للاستثمار كما هي بتاريخ 2020/6/30

Kindly accept our highly appreciation and
respect

Al Daman For Investments

Chairman of the board
Ibrahim Daher

وتفضلوا بقبول فائق الاحترام...

شركة الضمان للاستثمار (م.ع.م)

رئيس مجلس الادارة
ابراهيم الظاهر

شركة الضمان للاستثمار
المساهمة العامة المحدودة
عمان - الاردن

شركة الضمان للاستثمار
المساهمة العامة المحدودة
عمان - الاردن

بورصة عمان
لدارة الادارية والمالية
الديوان

٢٠٢٠ - آب ٠٦

3050

31065

١١/٨/٢٠٢٠

الرقم التسلسلي:

رقم الملف:

الجهة المختصة:

AL-DAMAN FOR INVESTMENTS COMPANY

PUBLIC SHAREHOLDING COMPANY

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

30 JUNE 2020



Building a better
working world

Ernst & Young Jordan

P.O.Box 1140

Amman 11118

Jordan

Tel : 00 962 6580 0777/00 962 6552 6111

Fax: 00 962 6553 8300

www.ey.com/me

**Report on Review of Interim Condensed Financial Statements
To the Board of Directors of
Al-Daman for Investments Company- Public Shareholding Company
Amman - Jordan**

Introduction

We have reviewed the accompanying interim condensed financial statements of Al-Daman for Investments Company - Public Shareholding Company (the "Company") as at 30 June 2020, comprising of the interim condensed statement of financial position as at 30 June 2020 and the related interim condensed statement of income, interim condensed statement of comprehensive income, interim condensed statement of changes in equity and interim condensed 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 financial statements in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

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

Conclusion

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

Amman – Jordan
29 July 2020

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2020

	Notes	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
<u>ASSETS</u>			
NON-CURRENT ASSETS -			
Property and equipment		26,484	30,222
Investment properties		2,126,505	2,153,923
Right of use asset	6	1,352,479	1,428,984
Projects in progress		35,508	32,144
Investment in an associate	4	5,223,796	5,393,961
Financial assets at fair value through other comprehensive income		192,985	223,414
		<u>8,957,757</u>	<u>9,262,648</u>
CURRENT ASSETS -			
Checks under collection, net		21,471	54,840
Accounts receivable, net		105,342	74,721
Other current assets		125,751	168,065
Cash and bank balances	5	2,771,554	2,739,230
		<u>3,024,118</u>	<u>3,036,856</u>
TOTAL ASSETS		<u>11,981,875</u>	<u>12,299,504</u>
<u>EQUITY AND LIABILITIES</u>			
SHAREHOLDERS' EQUITY -			
	7		
Share capital		10,000,000	10,000,000
Statutory reserve		376,448	376,448
Voluntary reserve		64,164	64,164
Fair value reserve		(76,251)	(45,822)
Company's share of fair value reserve of an associate		(201,510)	(165,708)
Retained earnings		212,403	414,835
TOTAL EQUITY		<u>10,375,254</u>	<u>10,643,917</u>
<u>LIABILITIES</u>			
NON - CURRENT LIABILITIES -			
Lease liabilities	6	<u>1,396,667</u>	<u>1,428,271</u>
CURRENT LIABILITIES -			
Other current liabilities		141,756	158,240
Lease liabilities	6	68,198	69,076
		<u>209,954</u>	<u>227,316</u>
TOTAL LIABILITIES		<u>1,606,621</u>	<u>1,655,587</u>
TOTAL EQUITY AND LIABILITIES		<u>11,981,875</u>	<u>12,299,504</u>

The attached notes from 1 to 12 form part of these interim condensed financial statements

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF INCOME
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2020	2019	2020	2019
		JD	JD	JD	JD
Operating revenues		114,297	130,922	220,894	239,151
Operating expenses		(71,610)	(66,933)	(142,239)	(132,774)
Operating profit		42,687	63,989	78,655	106,377
Interest income		37,311	37,525	73,765	72,459
Dividends income		-	10,100	-	12,805
Administrative Expenses - Amman		(12,077)	(12,549)	(36,732)	(36,398)
Administrative Expenses - Aqaba		(23,388)	(22,293)	(46,358)	(44,607)
Finance cost – lease liabilities		(35,903)	(36,295)	(71,805)	(72,589)
Provision for expected credit losses		(30,211)	(432)	(65,594)	(22,913)
Share of results from an associate	4	(101,165)	34,194	(134,363)	69,661
PROFIT FOR THE PERIOD		(122,746)	74,239	(202,432)	84,795
		JD/Fils	JD/Fils	JD/Fils	JD/Fils
Basic and diluted earnings per share from the profit of the period	9	(0/012)	0/007	(0/020)	0/008

The attached notes from 1 to 12 form part of these interim condensed financial statements

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME STATEMENT
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)

	For the three months ended 30 June		For the six months ended 30 June	
	2020	2019	2020	2019
	JD	JD	JD	JD
PROFIT FOR THE PERIOD	(122,746)	74,239	(202,432)	84,795
ADD: OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIOD				
Changes in fair value	(1,747)	7,363	(30,429)	11,734
Changes in fair value reserve of an associate	(18,330)	(11,804)	(35,802)	972
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(142,823)	69,798	(268,663)	97,501

The attached notes from 1 to 12 form part of these interim condensed financial statements

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2020(UNAUDITED)

	Paid in capital	Statutory reserve	Voluntary reserve	Fair value reserve	Company share of fair value reserve of an associate	Retained earnings	Total
	JD	JD	JD	JD	JD	JD	JD
30 June 2020 -							
Balance at 1 January 2020	10,000,000	376,448	64,164	(45,822)	(165,708)	414,835	10,643,917
Loss for the period	-	-	-	-	-	(202,432)	(202,432)
Changes in fair value reserve	-	-	-	(30,429)	-	-	(30,429)
Changes in fair value reserve of an associate	-	-	-	-	(35,802)	-	(35,802)
Total Comprehensive Income for the period	-	-	-	(30,429)	(35,802)	(202,432)	(268,663)
Balance at 30 June 2020	10,000,000	376,448	64,164	(76,251)	(201,510)	212,403	10,375,254
30 June 2019 -							
Balance at 1 January 2019	10,000,000	362,735	64,164	(44,511)	(171,511)	491,417	10,702,294
Profit for the period	-	-	-	-	-	84,795	84,795
Changes in fair value reserve	-	-	-	11,734	-	-	11,734
Changes in fair value reserve of an associate	-	-	-	-	972	-	972
Total Comprehensive Income for the period	-	-	-	11,734	972	84,795	97,501
Dividends paid	-	-	-	-	-	(200,000)	(200,000)
Balance at 30 June 2019	10,000,000	362,735	64,164	(32,777)	(170,539)	376,212	10,599,795

The attached notes from 1 to 12 form part of these interim condensed financial statements

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020(Unaudited)

		For the six months ended 30 June	
	Note	2020 JD	2019 JD
<u>OPERATING ACTIVITIES</u>			
(Loss) profit for the period		(202,432)	84,795
Adjustments for:			
Depreciation		36,191	36,054
Depreciation on right of use asset		15,233	15,635
Provision for expected credit losses		65,594	22,913
Share of results from of an associate		134,363	(69,661)
Interest income		(73,765)	(72,459)
Dividends income		-	(12,805)
Finance cost		71,805	72,589
Working capital changes:			
Accounts receivable and other current assets		(104,149)	150,962
Checks under collection		33,369	(49,144)
Other current liabilities		(16,484)	(40,951)
Net cash flows (used in) from operating activities		(40,275)	137,928
<u>INVESTING ACTIVITIES</u>			
Deposits at banks with maturity of more than 3 months	5	548,811	(2,539,437)
Purchases of property and equipment and investment properties		(5,035)	(30,874)
Projects in progress		(3,364)	17,862
Dividends from associate		-	208,205
Interest income received		124,013	134,215
Net cash flows from (used in) investing activities		664,425	(2,262,065)
<u>FINANCING ACTIVITIES</u>			
Dividends paid		-	(200,000)
Lease liabilities paid		(43,015)	(52,036)
Net cash flows used in financing activities		(43,015)	(200,000)
Net increase (decrease) in cash and cash equivalents		581,135	(2,324,137)
Cash and cash equivalents at 1 January		93,064	2,432,318
CASH AND CASH EQUIVALENTS AT 30 JUNE	5	674,199	108,181

The attached notes from 1 to 12 form part of these interim condensed financial statements

(1) GENERAL

Al-Daman for Investments Company ("the Company") was established and registered on 17th April 1993, as a Public Shareholding Company. The paid in capital of the Company is JD 10,000,000 divided into 10,000,000 shares at par value of (JD 1) each.

The Company's objectives are to invest in projects, other companies, securities, and investing the Company's cash in real estate industry.

The interim condensed financial statements were authorized for issuance by the board of directors in their meeting held on 27 July 2020.

The Company's interim condensed financial statements are consolidated in the consolidated financial statement of (the Social Security Corporation) which owns 61.4% of the Company's share capital.

(2-1) BASIS OF PREPARATION FINANCIAL STATEMENTS

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

The financial statements have been prepared on a historical cost basis, except for the financial assets at fair value through other comprehensive income, which have been measured at fair value as of the date of the interim condensed financial statements.

The interim condensed financial statements do not contain all information and disclosures required for the financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual financial statements as of 31 December 2019. In addition, the result of the six months period ended 30 June 2020 are not necessarily indicative of the result that may be expected for the financial year ending 31 December 2020.

The interim condensed financial statements are presented in Jordanian Dinars "JD" which is the functional currency of the Company.

(2-2) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2019 except for the adoption of new standards effective as of 1 January 2020 shown below:

Amendments to IFRS 3: Definition of a Business

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Company will not be affected by these amendments on the date of transition.

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. As a result of interest rate benchmark reform, there may be uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument during the period before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an RFR). This may lead to uncertainty whether a forecast transaction is highly probable and whether prospectively the hedging relationship is expected to be highly effective.

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an "RFR"). The effective date of the amendments is for annual periods beginning on or after 1 January 2020, with early application permitted. The requirements must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight.

With phase one completed, the IASB is now shifting its focus to consider those issues that could affect financial reporting when an existing interest rate benchmark is replaced with an RFR. This is referred to as phase two of the IASB's project.

These amendments do not have any impact on the Company's interim condensed financial statements.

(3) USE OF ESTIMATES

The preparation of the interim condensed financial statements and appliance of accounting policies requires the company's management to use estimation and professional judgement that affects the amounts of assets and liabilities and the disclosure of contingent liabilities. These estimates and judgements also affects revenues, expenses, and provisions. They especially require from the management to make important estimates and provisions that affect future cash flow and their timing that are a result of the situation and circumstances of those estimates in the future. Those estimates are based on multiple theories and factors that have multiple degrees of estimation and uncertainty. Therefor the actual results might differ from the estimates as a result in the change in future conditions and circumstances for those provisions.

(4) INVESTMENT IN AN ASSOCIATE

This item represents the Company's share in Al-Sharq For Projects Investments PLC. – Movenpic Hotel - Amman of 26.03% (31 December 2019: 26.03%), the Company owns 4,164,153 shares as of 30 June 2020 (31 December 2019: 4,164,153 shares) from the capital of Al-Sharq For Investment Projects PLC with a fair value of JD 11,035,005 as of 30 June 2020 (31 December 2019: JD 10,372,099).

Movement on investment in an associate were as follow:

	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Balance at the beginning of the period / year	5,393,961	5,511,942
Share of results from of an associate	(134,363)	84,421
Share of the change in fair value reserve of financial assets of an associate	(35,802)	5,803
Dividends received	-	(208,205)
Balance at the end of the period / year	5,223,796	5,393,961

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2020 (Unaudited)

The following schedules summarizes the financial information for the Company's investment in Alsharq Company For Projects Investments:

	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Current assets	1,396,470	1,735,837
Non-current assets	19,384,512	19,968,469
Current liabilities	(832,102)	(1,116,432)
Non-current liabilities	(251,850)	(237,035)
Equity	19,697,030	20,350,839
Percentage of ownership	26,03%	26,03%
Carrying amount of the investment	5,223,796	5,393,961
	30 June 2020 JD (Unaudited)	30 June 2019 JD (Unaudited)
Operating revenues	1,477,756	2,599,522
Operating costs	(604,619)	(893,587)
Administrative, maintenance, marketing and depreciation expenses	(1,397,330)	(1,443,763)
Other revenues	7,951	69,865
(Loss) profit for the period/ year before tax	(516,242)	332,037
Income tax expense	-	(61,311)
National contribution to pay public debt	-	(3,066)
Profit for the period	(516,242)	267,660
Company's share of profit for the period	(134,363)	69,661

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2020 (Unaudited)

(5) CASH AND BANK BALANCES

	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Cash on hand	651	-
Cash at banks	20,022	93,064
Deposits maturing within a period of less than 3 months	653,526	-
	674,199	93,064
Deposits maturing within a period of more than 3 months and up to one year*	2,079,355	2,646,166
	<u>2,771,554</u>	<u>2,739,230</u>

* Deposits at banks earned interest at a rate between 5.25% and 5.50% (31 December 2019: 5.25% and 6.25%).

(6) LEASE LIABILITIES

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period ended 30 June 2020 (Unaudited):

	Right of use assets - Lands JD	Lease liabilities* JD
At 1 January 2020	1,428,984	1,497,347
Adjustments	(61,272)	(61,272)
Depreciation	(15,233)	-
Finance costs	-	71,805
Payments	-	(43,015)
At 30 June 2020	<u>1,352,479</u>	<u>1,464,865</u>

* Lease liabilities details as at 30 June 2020 and 31 December 2019 are as follows:

30 June 2020 (Unaudited)			31 December 2019 (Audited)		
Short term JD	Long term JD	Total JD	Short term JD	Long term JD	Total JD
<u>68,198</u>	<u>1,396,667</u>	<u>1,464,865</u>	<u>69,076</u>	<u>1,428,271</u>	<u>1,497,347</u>

(7) SHAREHOLDERS' EQUITY

Share capital

The paid in capital is JD 10,000,000 divided into 10,000,000 share at par value of (JD 1) each. Below is a summary list of the shareholders and their share percentage of the paid in capital:

	<u>%</u>
Social security corporation	61.4
Arab Bank	10
Housing bank for trade and finance	10
Cairo Amman bank	10
Etihad Bank	5
Other Partners	3.6

Legal reserves

The Company did not deduct legal reserves in accordance with the effective laws and instructions as these financial statements are interim financial statements.

(8) INCOME TAX

No provision for income tax was calculated for the period ended 30 June 2020 and 2019 due to the accumulated losses from prior years in accordance with the Income Tax Law No. (38) of 2018.

The Company reached a final settlement with the income and sales tax department for its operations in Amman up to the year up to 2018.

The Company reached a settlement with the income and sales tax department for its operations in Aqaba up to the year 2016.

The Company filed its tax returns for its operations in Aqaba for the years 2017, 2018, and 2019 which have not been reviewed by the income and sales tax department by the date of the preparation of the interim financial statements.

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2020 (Unaudited)

(9) BASIC AND DILUTED EARNINGS PER SHARE

	For the three months ended 30 June		For the six months ended 30 June	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period (JD)	(122,746)	74,239	(202,432)	84,795
Weighted average number of shares (Share)	10,000,000	10,000,000	10,000,000	10,000,000
	JD/ Fils	JD/ Fils	JD/ Fils	JD/ Fils
Basic earnings per share (JD)	(0/012)	0/007	(0/020)	0/008

The diluted earnings per share equals the basic earnings per share.

(10) SEGMENT INFORMATION

The Business segment represents a group of assets and operations that work together to provide products or services that are subjected to risk and returns that differ from that related to other business segments.

The geographical segment is linked to providing products or services in a specific economical environment subjected to risks and returns that differ from those related to business in economical environment.

The Company's activities consists of one economical segment which represents revenues and expenses on the Aqaba project in addition to Amman office expenses, and the Board of Directors. There are no other segments, also the company is not involved in any other trade activity, and the following is a summary of operations:

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2020 (Unaudited)

	Amman	Private economic zone / Aqaba	Total
	JD	JD	JD
30 June 2020 (Unaudited):			
Operating revenues	-	220,894	220,894
Operating expenses	-	(142,239)	(142,239)
Share of profit of an associate	(134,363)	-	(134,363)
Interest income	-	73,765	73,765
Administrative expenses	(36,732)	(46,358)	(83,090)
Finance cost lease contract	(546)	(71,259)	(71,805)
Provision for expected credit loss	-	(65,594)	(65,594)
PROFIT FOR THE PERIOD	(171,641)	(30,791)	202,432
30 June 2019 (Unaudited):			
Operating revenues	-	239,151	239,151
Operating expenses	-	(132,774)	(132,774)
Share of profit of an associate	69,661	-	69,661
Interest income	-	72,459	72,459
Administrative expenses	(36,398)	(44,607)	(81,005)
Finance cost	(1,042)	(71,547)	(72,589)
Dividends income	12,805	-	12,805
Recovered from provision for expected credit loss	-	(22,913)	(22,913)
PROFIT FOR THE PERIOD	45,026	39,769	84,795

(11) RELATED PARTY TRANSACTIONS

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

The following is the balances and transactions with related parties in the interim statement of financial position and interim statement of income :

	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Interim Statement of Financial Position items:		
<u>Bank Deposits</u>		
Etihad Bank*	653,526	2,646,166
	30 June 2020 JD (Unaudited)	30 June 2019 JD (Audited)
Interim Statement of Income items:		
Bank interest revenue**	35,839	70,965
Social Security contribution – company's share	1,650	1,324
Salaries and wages of executives	17,836	10,290
Board of directors transportation allowance	27,000	27,000
Board of directors remuneration	6,900	4,650

* Member in the Board of Directors.

** Bank interest revenue represents revenues on bank deposits at banks who are Board of Directors.

(12) RISK MANAGEMENT

The World Health Organization made an assessment during March 2020 that the outbreak of the coronavirus (COVID-19) can be characterized as a pandemic. This coronavirus outbreak has impacted the global economy and global markets.

The size and duration of developments of these events, as well as their impact on the financial position of the Company, its financial performance and its cash flows are still uncertain as future developments cannot be accurately predicted at this stage and a reliable estimate cannot be made of their impact as of the date of these financial statements. Management is in the process of completing an assessment of the impact of these events on the Company's activities to take the necessary actions in accordance with the information available up to the date of these interim condensed financial statements. This evaluation includes the analysis of the risks to which the Company is exposed to as follows:

Credit risk

Credit risk is the risk that debtors and other parties will fail to meet their obligations towards the Company. The Company has recorded an expected credit losses provision with an amount of JD 65,594 for the period ended 30 June 2020. The Company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and constantly monitoring outstanding receivables and believes that the provision for expected credit losses against those outstanding receivables is sufficient.

Interest rate risk

The Company is exposed to interest rate risk on its interest-bearing assets and liabilities such as bank deposits. The management believes that the effect of changes in interest rates as a result of the current events do not have any material impact on the Company's interim condensed financial statements.

Equity price risk

Equity price risk arises from changes in the fair value of equity investments. Equity investments in the interim condensed financial statements are mainly listed in Amman Stock Exchange at a value of JD 192,985. The management believes that the effect of the risks of changes in share prices as a result of the current events is not material to the interim condensed financial statements.

Liquidity risk

The Company believes that it is not exposed to liquidity risk as a result of current events, as it has not affected the objectives, policies and procedures related to capital structure and can fulfil its financial obligations when they fall due.

Currency risk

Most of the Company's transactions are in Jordanian Dinar. The Jordanian Dinar exchange rate is fixed against U.S. Dollar (USD 1.41 for each one JD). Accordingly, the Company is not exposed to significant currency risk as a result of changes in currency rates due to the current events on the Company's interim condensed financial statements.