

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN

CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION FOR THE
SIX MONTHS ENDED JUNE 30, 2021

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
CONSOLIDATED CONDENSED INTERIM FINANCIAL
INFORMATION TOGETHER WITH
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE SIX MONTHS ENDED JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Review Report	1
Consolidated Condensed Interim Statement of Financial Position	2
Consolidated Condensed Interim Statement of Profit or Loss and Comprehensive Income	3
Consolidated Condensed Interim Statement of Changes in Shareholders equity	4
Consolidated Condensed Interim Statement of Cash Flows	5
Notes to the Consolidated Condensed Interim Financial Information	6-17

Review Report

AM/ 007568

To the Chairman and Members of the Board of Directors
The Consultant and Investment Group Company
(A Public Limited Shareholding Company)
Amman – Jordan

Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of The Consultant and Investment Group Company (A Public Limited Shareholding Company) as of June 30, 2021, and the related consolidated condensed interim statements of profit or loss and comprehensive income for the three months and six months ended June 30, 2021, and changes in Shareholders' equity, and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim financial information 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 Company". A review of condensed 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 indicating that the accompanying consolidated condensed interim financial information for the Consultant and Investment Group Company (A Public Limited Shareholding Company) are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Amman - Jordan
July 29, 2021


Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)

ديلويت آند توش (الشرق الأوسط)

010105

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
		JD	JD
NON-CURRENT ASSETS:			
Property and equipment - net	4	18.865.353	19.336.525
Projects under construction	5	5.024.472	4.140.717
Deferred tax assets	11/c	426.407	405.407
Checks under collection - long term		40.835	4.200
Right of use assets		569.360	735.913
Total Non-Current Assets		24.926.427	24.622.762
CURRENT ASSETS:			
Medicine and medical supplies		1.209.524	1.215.676
Accounts receivable - net	6	3.242.102	3.009.869
Other debit balances	7	614.141	911.468
Checks under collection - short term		56.758	38.800
Cash on hand and at banks	8	1.905.309	2.283.917
Total Current Assets		7.027.834	7.459.730
Total Assets		31.954.261	32.082.492

SHAREHOLDERS' EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY:

Paid-up capital	20.000.000	20.000.000
Statutory reserve	564.552	564.552
(Accumulated loss)	(625.331)	(625.331)
profit for the period	283.312	-
Total Shareholders' Equity	20.222.533	19.939.221

LIABILITIES:

NON-CURRENT LIABILITIES:

Liabilities against finance lease contracts - long term	9	4.243.811	5.000.657
Lease liabilities		652.354	720.327
Total Non-Current Liabilities		4.896.165	5.720.984

CURRENT LIABILITIES:

Accounts payable		3.866.848	3.488.172
Liabilities against finance lease contracts - short term	9	1.369.275	1.112.885
Other credit balances	10	1.595.868	1.821.230
Income tax provision	11/a	3.572	-
Total Current Liabilities		6.835.563	6.422.287
Total Liabilities		11.731.728	12.143.271
Total Shareholder's Equity And Liabilities		31.954.261	32.082.492

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

Chairman of the Board of Directors

General Manager

THE CONSULTANT AND INVESTMENT GROUP COMPANY

(PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2021

(REVIEWED NOT AUDITED)

	Note	For the Three Months		For the Six Months	
		Ended June 30,		Ended June 30,	
		2021	2020	2021	2020
		JD	JD	JD	JD
Operating revenue	12	3,888,723	3,113,736	7,879,709	6,893,246
Cost of revenue	13	(3,023,835)	(2,627,604)	(6,222,819)	(5,741,878)
Gross profit		864,888	486,132	1,656,890	1,151,369
General and administrative expenses	14	(634,079)	(680,678)	(1,272,501)	(1,500,658)
Finance costs and lease liabilities		(104,026)	(58,660)	(206,301)	(177,811)
Expected credit loss expense		(100,000)	(120,000)	(100,000)	(120,000)
Other revenue - net	15	85,997	42,055	192,814	134,816
Profit (Loss) for the period before tax		112,780	(331,150)	270,902	(512,284)
Income tax surplus	11/b	12,410	25,200	12,410	25,200
Profit (Loss) for the Period / Total Comprehensive Income (Loss) for the Period		125,190	(305,950)	283,312	(487,084)
Earnings per share from the profit (loss) for the period - Basic and diluted	16	0.006	(0/02)	0.014	(0/024)

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

Chairman of Board of Directors

General Manager

THE CONSULTANT AND INVESTMENT GROUP COMPANY

(PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2021

(REVIEWED NOT AUDITED)

	Paid-up Capital	Statutory Reserve	(Accumulated Loss) Retained Earnings	Profit (Loss) for the Period	Total
For the Six Months Ended June 30, 2021	JD	JD	JD	JD	JD
Balance at the beginning of the year	20,000,000	564,552	(625,331)	-	19,939,221
Total comprehensive income for the period	-	-	-	283,312	283,312
Balance at the End of the Period (Reviewed)	20,000,000	564,552	(625,331)	283,312	20,222,533
For the Six Months Ended June 30, 2020	18,945,000	564,552	1,674,498	-	21,184,050
Balance at the beginning of the year	-	-	(161,721)	-	(161,721)
Effect of prior years adjustments - net	-	-	-	(487,084)	(487,084)
Total comprehensive (Loss) for the period	-	-	1,512,777	(487,084)	20,535,245
Balance at the End of the Period (Reviewed)	18,945,000	564,552	1,512,777	(487,084)	20,535,245

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED

INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

	Note	For the Six Months	
		Ended June 30,	
		2021	2020
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (Loss) for the period before tax		270,902	(512,284)
Adjustments:			
Finance costs and lease liabilities interests		206,301	177,811
Provision for employees' vacations	10	7,475	38,134
Provision for end-of-service indemnity	10	7,404	11,003
Expected credit loss provision		100,000	120,000
Depreciation	13 & 14	768,940	789,397
Net Cash Flows from Operating Activities before Changes in Working Capital Items		1,361,022	624,061
Decrease (increase) in medicine and medical supplies		6,152	(28,731)
(Increase) decrease in accounts receivable		(332,233)	308,604
(Increase) in checks under collection		(54,593)	(37,796)
Decrease (increase) in other debit balances		297,327	(98,067)
Increase in accounts payable		378,676	205,961
(Decrease) increase in other credit balances		(51,974)	634,945
Net Cash Flows from Operating Activities before Provision Paid for Employees' Vacations, End-of-Service Indemnity and income tax		1,604,377	1,608,977
Paid from provision for employees' vacations	10	(11,344)	(10,396)
Paid from end-of-service indemnity provision	10	(75,523)	(5,222)
Paid from income tax provision	11/a	-	(60,046)
Net Cash Flows from Operating Activities		1,517,510	1,533,313
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in property and equipment	4	(131,214)	(239,543)
Decrease in restricted deposits	8	250,000	710,000
(Increase) in projects under construction	5	(883,755)	(1,209,565)
Net Cash Flows (used in) Investing Activities		(764,969)	(739,108)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) increase in liabilities against finance lease contracts		(500,456)	167,790
Paid finance costs and lease Liabilities interests		(176,463)	(177,811)
Paid from lease liabilities		(204,230)	(246,753)
Net Cash Flows (used in) Financing Activities		(881,149)	(256,774)
(Decrease) increase in Cash and Cash Equivalents		(128,608)	537,431
Cash and cash equivalent - beginning of the year		409,140	169,710
Cash on and cash equivalent - End of the Period	8	280,532	707,141
Non - Cash Transactions :			
Transferred from projects under construction to property and equipment	4	-	968,095

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
NOTES TO THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION

1. ESTABLISHMENT AND ACTIVITIES

- a. The Consultant and Investment Group Company (Al-Istishari Hospital) was established and registered on 7 November 1995 as a public limited shareholding company under No. (299) with a paid-up capital of JD (8) million. In previous years, the Company's paid up capital was restructured and increased to become JD 20 million. The Company's address is Wadi Saqra, P.O. Box 840431, Amman 11184 the Hashemite Kingdom of Jordan.
- b. The Company's objectives are carrying out industrial constructions, conducting commercial agencies, and investing in commercial and financial projects, and setting up and managing health, real estate, housing, building, and industrial projects as well as constructing commercial markets of all types along with their related services.
- c. The Company has Investment incentives granted in accordance with Article (6) of the Investment Promotion Law No. (30) For the year 2014 and up to three years starting from approval date in April 21, 2019.

2. Basis of Preparation

- a. Basis of Preparation the consolidated condensed interim financial information:
 - The accompanying interim condensed financial information for the six months period ended June 30, 2021 have been prepared in accordance with International Accounting Standard (IAS) No. (34) relating to Interim Financial Reporting.
 - The consolidated condensed interim financial information are prepared in Jordanian dinar, which is the Company's functional currency.
 - The consolidated condensed interim financial information do not include all information and disclosures required for the annual financial statements and should be read with the Company's annual report for the year ended December 31, 2020. Moreover, the results of operations for the six months period ended June 30, 2021 do not necessarily provide an indication of the results of operations for the year ending December 31, 2021 , and do not contain appropriation of the profit for the six months period ended June 30, 2021, which is usually performed at year-end.

Judgments, Estimates and Risk Management

The preparation of the consolidated condensed interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements for the year ended December 31, 2020.

b. Basis of Preparation the consolidated condensed interim financial information

The consolidated condensed interim financial information include the financial information of the Company and its subsidiaries under its control, Meanwhile, control exists when the Company has control over the investee company, or it is exposed to variable returns or holds rights for its participation in the investee company, and the Company is able to use its control over the investee company to affect those returns.

- The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.
- When the Company has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally, In this regard, the Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:
 - The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders,
 - Potential voting rights held by the Company.
 - Rights arising from other contractual arrangements.
 - Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee;
- has the ability to use its power to affect the investee's returns,

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Company has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally, In this regard, the Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

When it loses control of a subsidiary, the Company performs the following:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the book value of any non-controlling interests.
- Derecognizes transfer differences accumulated in Owners' Equity.
- Derecognizes the fair value to the next controlling party.
- Derecognizes the fair value of any investment retained.
- Derecognizes any gain or loss in the income statement.
- Reclassifies owners' equity already booked in other comprehensive income to the profit or loss statement as appropriate.

The subsidiaries' financial information are prepared under the same accounting policies adopted by the Company, If the subsidiaries apply different accounting policies than those used by the Company, the necessary modifications shall be made to the subsidiaries' financial information to make them comply with the accounting policies used by the Company.

The non-controlling interests represent the portion not owned by the Company relating to ownership of the subsidiaries.

- All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated,
- The subsidiaries financial information are prepared under the same accounting policies adopted by the Company, If the subsidiaries apply different accounting policies than those used by the Company, the necessary modifications shall be made to the subsidiaries' financial information to make them comply with the accounting policies used by the Company.
- The results of the subsidiaries' operations are consolidated in the consolidated statement of profit or loss effective from their acquisition date, which is the date on which control over subsidiaries is effectively transferred to the Company, Furthermore, the results of the disposed of subsidiaries are consolidated in the consolidated statement of profit or loss up to the date of their disposal, which is the date on which the Company loses control over the subsidiaries.
- The non-controlling interests represent the portion not owned by the Company in the subsidiaries; Non-controlling interests are shown in the subsidiaries' net assets as a separate line item within the Company's statement of shareholders' equity.

The Company owns Al Motamaizah Company for Hospital Management (subsidiary) as of June 30, 2021:

Paid-up Capital	Ownership percentage	The nature of the company's business	Location	Date of acquisition
JD 15,000	% 100	Commercial	Jordan	September 15, 2011

The following table shows the financial position and financial performance of the Al Motamaizah Company for Hospital Management (subsidiary) as at:

June 30, 2021		For the Six Months Ended June 30, 2021	
Assets	Liabilities	Revenue	Expenses
JD 95,701	JD 91,488	JD 108,342	JD 67,475

3. Significant Accounting Policies

The accounting policies used in preparing the interim condensed consolidated financial information for the period ended on June 30, 2021 are consistent with the accounting policies that were followed in preparing the financial statements for the year ended December 31, 2020. However, the following revised IFRSs were followed which became effective The effect for financial periods beginning on or after the first of January 2021, in preparing the consolidated interim condensed financial information for the company, which did not materially affect the amounts and disclosures contained in the interim condensed financial information for the previous period and years, noting that it may have an impact on the accounting treatment of transactions and future arrangements, except for the following:

Interest Rate standardized amendments - Stage Two Adjustments

As of January 1, 2021, the Company has implemented the second phase of the standardized interest rate amendments that may affect the financial reporting as a result of the interest rate standard amendment, including the effects of changes to contractual cash flows or hedging relationships arising from replacing the standard interest rate with an alternative reference rate. The amendments provide exemption from some of the requirements in IFRS 9, 7, 4 and 16 and IAS 39 relating to changes in the basis for determining contractual cash flows for financial assets and liabilities, lease obligations and hedge accounting.

The amendments require that an entity recognizes a change in the basis for determining contractual cash flows for a financial assets or a financial liabilities that requires reform of the interest rate standard by updating the effective interest rate of the financial assets or liabilities. Additionally, it provides specific exceptions to hedge accounting requirements.

4. Property and Equipment - Net

- During the six months period ended June 30, 2021, the Company purchased property and equipment totaled JD 131,214 (JD 239,543 during the six months ended June 30, 2020).
- The depreciation expense of property and equipment for the six months ended June 30, 2021 amounted to 602,386 (JD 607,623 the six months ended June 30, 2020).

5. Projects under Construction

This item represents expansion of the main building of the hospital project: The project completion percentage was 32% as of June 30, 2021 (3% as of December, 2020), The project is expected to be completed during 2021 for a total costs of around JD 8,2 million. The additions to projects under construction during the six months ended June 30, 2021 was JD 883,753 (JD 1,209,565 for the prior period).

6. Accounts Receivable – Net

This item consists of the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Accounts Receivable	5,888,648	5,513,497
Less: Provision for allowable discounts *	(616,036)	(573,118)
Provision for expected credit loss	(2,030,510)	(1,930,510)
	<u>3,242,102</u>	<u>3,009,869</u>

The table below shows determination of receivables risk based on provision matrix:

June 30 ,2021		Receivables overdue payments					
	Current receivables (not due payments)*	1-60 days	61-90 days	91-120 days	120-365 days	More than 365 day	Total
	JD	JD	JD	JD	JD	JD	JD
Total receivables	1,749,114	841,846	407,194	220,049	1,324,097	1,346,348	5,888,648
Credit loss provision and discount	422,596	299,421	187,699	101,434	625,636	1,009,761	2,646,546
Expected credit loss provision and discount rate	22%	36%	46%	46%	47%	75%	44%

December 31, 2020		Receivables overdue payments					
	Current receivables (not due payments)*	1-60 days	61-90 days	91-120 days	120-365 days	More than 365 day	Total
	JD	JD	JD	JD	JD	JD	JD
Total receivables	1,869,389	474,359	297,904	366,469	1,204,841	1,300,535	5,513,497
Credit loss provision and discount	483,976	168,716	137,321	168,927	569,287	975,401	2,503,628
Expected credit loss provision and discount rate	26%	36%	46%	46%	47%	75%	45%

* The movement on the provision for allowable discounts during the period / year is as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance - beginning of the period/year	573,118	686,854
Additions (used) during the period/year	42,918	(113,736)
Balance - End of the Period/Year	616,036	573,118

- The movement on the provision for expected credit losses during the period / year is as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance - beginning of the period/year	1,930,510	1,105,844
Effect of prior year adjustments*	-	204,666
Additions during the period/year	100,000	620,000
Balance - End of the Period/Year	2,030,510	1,930,510

* During the first quarter of 2020 a provision for expected credit loss was recorded in retained earnings related to prior years amounted JD 204,666.

7. Other Debit Balances

This item consists of the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
Earned revenue-unissued patients invoices	128,103	215,990
Claim on patients' deposits *	127,676	127,676
Advance payments for computer purchase	284,150	284,150
Advance payments for purchase of electric generator	99,229	99,229
Prepaid expenses	45,131	54,621
Refundable deposits	10,437	12,000
Advance payments for purchase medical equipment **	441,186	441,186
Advance payments for suppliers	394,336	498,653
Withholding income tax	17,428	5,018
Others	36,107	125,186
	<u>1,566,382</u>	<u>1,863,709</u>
<u>Less:</u> Provision for purchasing computer programs	(284,150)	(284,150)
Provision for purchasing an electric generator	(99,229)	(99,229)
Provision for patients' deposits difference *	(127,676)	(127,676)
Provision for purchase medical equipment	(441,186)	(441,186)
	<u>614,141</u>	<u>911,468</u>

* This item represents the balance of a claim for patents' deposits and related provision to settle the difference in the patents' deposits account.

** In previous years, the Company took a provision for the entire balance of payments for the purchase of some medical equipment's because they did not meet the required specifications and the management was unable to determine the extent of the possibility of benefiting from them.

8. Cash on Hand and at Banks

This item represents:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Cash on hand	91,611	32,066
Current accounts at Banks	188,921	377,074
Deposit *	<u>1,645,701</u>	<u>1,895,701</u>
Total	1,926,233	2,304,841
<u>Less:</u> Provision for expected credit loss	(20,924)	(20,924)
	<u>1,905,309</u>	<u>2,283,917</u>

* This item represents a deposit at the Arab International Islamic Bank for six months and is renewed automatically at a Murabaha rate of 4.7% as of June 30, 2021 and it's restricted against loans liabilities.

Cash and Cash Equivalent for cash flows purposes is as follows:

	For the Six Months June 30,	
	2021 (Reviewed)	2020 (Audited)
	JD	JD
Cash on hand and at banks	1,926,233	3,381,599
Restricted deposits	(1,645,701)	(2,674,458)
	<u>280,532</u>	<u>707,141</u>

9. Liabilities against Finance Lease Contract

This item consists of the following:

	June 30, 2021	December 31, 2020
	JD	JD
Liabilities against short-term finance lease contracts – International Islamic Arab Bank, solar power	251,361	274,212
Liabilities against short-term Istisna'a contracts – International Islamic Arab Bank (Hospital Expansion)	499,437	416,425
Liabilities against short-term finance lease contracts- International Islamic Arab Bank	665,916	469,687
Short-term land ownership transfer fees	(47,439)	(47,439)
	<u>1,369,275</u>	<u>1,112,885</u>
Liabilities against long-term finance lease contracts – International Islamic Arab Bank, solar power	1,373,412	1,463,447
Liabilities against long-term finance lease contracts – International Islamic Arab Bank	2,222,847	2,656,370
Liabilities against long-term Istisna'a contracts- International Islamic Arab Bank (Hospital expansion)	773,294	1,049,977
Long-term land ownership transfer fees	(125,742)	(169,137)
	<u>4,243,811</u>	<u>5,000,657</u>
	<u>5,613,086</u>	<u>6,113,542</u>

On July 28, 2016, the Company signed a finance lease contract relates to the purchase of Land No. (1284) from the Islamic International Arab Bank through selling the land to the Islamic International Arab Bank and leasing it as lease-to-own. Consequently, the Company incurred ownership transfer fees of JD 426,951, paid to Amman Land Registry. This amount has been recorded as a contra liability account and will be amortized over the loan term.

The lease contract is for 108 months, divided into 9 lease years. Moreover, the lease amount will be paid starting from August 31, 2017 in monthly installments of JD 55,931 each.

The lease return for the first year stood at 6.5% of the lease principal. Moreover, the varied margin for the first year is 1%.

According to the finance lease contracts, the Company's liabilities are guaranteed by the lessor's ownership of the leased properties and comprehensive insurance thereon. The fair value of the finance lease contracts approximates their carrying amount.

The Company signed an Istisna'a agreement on September 5, 2019 for the purpose of expanding the fourth and fifth floors of the hospital's building with a total value of JD 1,694,812 with an annual margin of 2.64% which are paid on 48 monthly installments. These amounts are guaranteed against a first-rate mortgage on a plot of land in the amount of JD 2,189 thousand.

The Company signed a leasing agreement to finance the solar energy project on November 18, 2018 with a total value of JD 2,490,750 with Ijara return rate of 2.5% annually to be repaid on 109 monthly installments divided over 9 years where the monthly installment amounted to JD 22,851.

10. Other Credit Balances

This item consists of the following:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Shareholders' deposits-fractional shares	217,475	221,499
Employees' vacation provision *	218,802	222,671
Accrued salaries and expenses	168,301	224,971
Provision for potential claims	572,854	572,854
Electromechanical contractors' retentions	86,550	86,550
Stamp fees deposits	69,495	69,495
Social security deposits	42,373	43,012
End-of-service indemnity provision **	49,430	117,549
Postponed check	-	96,640
Income tax deposits	40,187	36,208
Other	130,401	129,781
	<u>1,595,868</u>	<u>1,821,230</u>

* The movement on the provision for employees' vacation during the period / year is as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	222,671	202,660
Add: deducted during the period / year	7,475	45,732
Less: Paid during the period / year	(11,344)	(25,721)
Balance at the end of the period / year	<u>218,802</u>	<u>222,671</u>

** The movement on the provision for end-of-service indemnity during the period / year is as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period / year	117,549	94,918
Additions during the period / year	7,404	29,034
Less: Paid during the period / year	(75,523)	(6,403)
Balance at the End of the Period / Year	<u>49,430</u>	<u>117,549</u>

11. Income Tax

a. Income Tax Provision

Movement on the income tax provision as follows:

	June 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance at the beginning of the period/year (debit)	(5,018)	216,895
Income tax for the period/year	8,590	-
Income tax paid	-	(221,913)
Balance at the End of the Period / Year	<u>3,572</u>	<u>(5,018)</u>

- b. Income tax in the statement of profit or loss and comprehensive income is as follows:

		For the Six Months Ended June 30,	
		2021	2020
		(Reviewed)	(Reviewed)
		JD	JD
Deferred tax assets		21,000	25,200
Income tax for the period		(8,590)	-
		<u>12,410</u>	<u>25,200</u>

The tax returns for the years 2017 and 2018 have been audited by Sales and Income Tax Department. An initial decision was issued to claim an amount of JD 2.3 million, the Company has submitted its objection against the case. In the opinion of the Company management and its tax consultant, the tax provision taken is adequate.

There is no need to book a Provision of income tax recorded for the period ended June 30, 2021 as the Company has acceptable tax losses.

- c. Deferred tax assets in the statement of financial position is as follows:

		June 30, 2021	December 31, 2020
		(Reviewed)	(Audited)
		JD	JD
Balance at the beginning of the year		405,407	232,226
Prior years adjustments *		-	42,990
Addition during the period / year		<u>21,000</u>	<u>130,191</u>
Balance end of the period / year		<u>426,407</u>	<u>405,407</u>

- * During the first quarter of the year 2020 a provision for expected credit loss was recorded related to prior years amounted to JD 204,666 and a deferred tax assets was booked against it using a tax rate of 21%.

12. Operating Revenue

This item consists of the following:

		For the Six Months Ended June 30,	
		2021	2020
		(Reviewed)	(Reviewed)
		JD	JD
Room fees revenue		645,532	641,150
Medical supplies revenue		1,881,779	1,596,279
Medical procedures revenue		1,425,566	1,245,264
Pharmacy revenue		1,737,641	1,552,315
Other departments revenue		<u>2,189,190</u>	<u>1,858,239</u>
		<u>7,879,709</u>	<u>6,893,247</u>

13. Cost of Revenue

This item consists of the following:

For the Six Months Ended June 30,		
	2021	2020
	(Reviewed)	(Reviewed)
	JD	JD
Salaries, wages and other benefits	2,174,364	2,021,863
Social security	250,884	180,180
Medicine and medical supplies	1,908,390	1,693,244
Electricity and water	90,659	152,677
Cleaning	140,226	136,480
Maintenance	47,638	88,940
Food	152,010	157,344
Consumables	477,991	472,403
Cafeteria expense	29,432	23,886
Fuel	113,476	135,552
Government stamps	5,012	9,391
Depreciation	701,863	553,302
Property tax	27,328	11,555
Government fees	59,077	24,844
Other	44,469	80,217
	<u>6,222,819</u>	<u>5,741,878</u>

14. General and Administrative Expenses

This item consists of the following:

For the Six Months Ended June 30,		
	2021	2020
	(Reviewed)	(Reviewed)
	JD	JD
Salaries, wages and other benefits	642,434	661,549
Social security	77,210	51,712
End-of-service indemnity	7,404	11,003
Computer and software expenses	2,565	751
Stationary and printing	12,734	9,031
Recruitment expenses	20,575	5,391
Depreciation	67,077	54,321
Security and safety	40,572	36,793
Maintenance	78,254	102,752
Professional fees	24,532	25,859
Insurance	114,629	94,779
Advertisements and subscriptions	37,298	95,510
Postage and telephone	17,741	17,058
Legal claims expenses	39,743	35,303
Board of Directors transportation	-	9,000
Employees vacation expenses	7,475	38,134
Others	82,258	69,938
	<u>1,272,501</u>	<u>1,318,884</u>

15. Other Revenue - Net

This item consists of the following:

For the Six Months Ended June 30,		
	2021	2020
	(Reviewed)	(Reviewed)
	JD	JD
Rent	112,248	92,049
Car parking income	28,044	19,839
Others	52,522	22,928
	<u>192,814</u>	<u>134,816</u>

16. Earnings Per Share for the Period Attributable to the Company's Shareholders

This item consists of the following:

	For the Six Months Ended June 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Profit (Loss) for the period	283,312	(487,084)
	Share	Share
Weighted average number of shares	20,000,000	20,000,000
	JD/Share	JD/Share
Earning per share from the profit for the period relating to the Company's shareholders-Basic and diluted	0.014	(-/024)

17. Related Party Transactions and Balances

The following are the details of balances and transactions with related parties:

	For the Six Months Ended June 30,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
<u>Condensed interim statement of Income or losses items:</u>		
Executive management's salaries	136,629	138,000
Board of Director's transportation	-	9,000

18. Operating Sectors

a. Information about the Company's Activities

The Company conducts one type of activity, representing the services of medical care.

b. Geographical Distribution

The Company's activities are mainly in the Hashemite Kingdom of Jordan with no activities abroad.

19. Lawsuits against the Company

Lawsuits against the Company amounted to JD 65,171 and other unspecified lawsuits as of June 30, 2021 and December 31, 2020. In the opinion of the Company's management and its legal advisor, most of these lawsuits are going to be ruled in favor of the Company.

- There are lawsuits filed by the Company against others of 10,119,465 as of June 30, 2021 and December 31, 2020. The lawsuits are still pending at the courts.

20. Contingent Liabilities

The Company had contingent liabilities at the date of the consolidated condensed interim statement of financial position as follows:

- Letter of guarantees of JD 25,586 with cash margins of JD 3,638.
- Hospital building expansion liabilities with a total cost JD 3.2 million as of June 30, 2021.
- 2.3 millions pending with Sales and Income tax department related to the objected decision of reviewed 2016, 2017 and 2018 tax.
- Mortgage against loan obligations amounted JD 2,189 thousand.
- Contingent liabilities against unpaid shares in the capital of Madrid Housing and Real Estate Company Ltd of JD 30,000.

21. Fair Value Hierarchy

The Company's management believes that the carrying value of financial assets and financial liabilities approximates their fair value.

22. Contra Accounts

There is an amount of JD 4.1 million representing doctors' fees as of June 30, 2021 (JD 4.6 million as of December 31, 2020), whereby the hospital collects these fees on behalf of doctors with no legal obligation. Accordingly, this amount is shown as a contra account in the consolidated condensed interim financial statements.

23. Approval of the Consolidated Condensed Interim Financial Information

These consolidated condensed interim financial information were approved by the Board of Directors and authorized for issue on July 29, 2021.

24. Effect of Corona Virus

The spread of the corona virus (Covid-19) in the beginning of 2020 and it is spread in lots of geographical places around the world led to disturbances to the economic activities and business, also that this action is going through some continuously and accelerating developments which demanded the Company management to evaluate the expected Effects on the Company's activities.

The Company made an study of the impact of the Corona Virus (Covid-19) pandemic, which led to changes in the expected credit loss methodology and assessment estimates and judgments for the year ended December 31, 2020, noting that there were no changes to the policies, estimates and judgments during the period ended June 30, 2021. The Company's management continued to follow up with collection department for customers who's receivables are due for the purposes of collecting them in all possible ways.