Al-Rakaez Investment Company
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Financial Statements and
Independent Auditor's Report
for the year ended December 31, 2021

Al-Rakaez Investment Company
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Index

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Independent Auditor's Report

To Messrs. Shareholders
Al-Rakaez Investment Company
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Al-Rakaez Investment Company (Public Shareholding Company), which comprise the statement of financial position as at December 31, 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Expected credit losses	Scope of audit
The company has applied IFRS (9) expected credit losses requirements which resulted in a change in the calculation of impairment from the incurred loss model to the expected credit loss model, and the allowance for expected credit losses amounting to JD 118,087 as at December 31, 2021.	We conducted comprehensive assessment to identify the key controls used to determine expected credit losses, data collection and completeness, and related estimates and assumptions used by the management, and we have tested key control systems on the modeling process.

Other matter

Based on the emergency board resolution No. 116 of April 11, 2021, which includes the inability to continue work from April 1, 2021, for a subsequent period of no less than six months from the date of the end of the crisis, and since hotels lost their work for the next tourist season, the Board of Directors decided in its emergency session to submit a formal request to close the facility and authorize the higher management board to carry out the procedures required to implement the decision of the board, and where the operational activity of the company has been suspended, until the tourist activity in the Kingdom is restored to save the expenses related to that activity, and Decision No. 3645 was issued on November 8, 2021 approving the complete suspension of work in the company and the suspension of contracts for all employees from December 1, 2021 until February 1, 2021, and the suspension of work in the company and the suspension of work contracts from February 1 2021 until April 2021.

Other Information

Management is responsible for the other information. The other information comprises the information included in the report, but does not include the financial statements and our auditors' report thereon.
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

The Company has proper accounting records which are, in all material respects, consistent with the accompanying financial statements, accordingly, we recommend to approve these financial statements by the general assembly.

Talal Abu-Ghazaleh & Co. International

طلال أبوغزاله وشركاه الدولية
Talal Abu-Ghazaleh & Co. Intl.

Aziz Abdelkader
(License # 867)

Amman, on February 12, 2022

Al-Rakaez Investment Company
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Statement of financial position as at December 31, 2021

	Notes	2021	December 31, 2020 (After adjustment)	January 1, 2020 (After adjustment)
ASSETS		JD	JD	JD
Non-current Assets				
Property and equipment	3	11,942,806	12,222,317	12,285,857
Current Assets				
Inventory		41,607	45,691	64,194
Accounts receivable and other debit balances	4	121,342	92,931	263,919
Cash and cash equivalents	5	18,870	2,802	26,580
Total Current Assets		181,819	141,424	354,693
TOTAL ASSETS		12,124,625	12,363,741	12,640,550
EQUITY AND LIABILITIES				
Equity				
Declared and paid-in capital	1	12,500,000	12,500,000	12,500,000
Statutory reserve	6	93,706	93,706	93,706
Accumulated losses	14	(1,963,317)	(1,889,934)	(1,156,240)
Net Equity		10,630,389	10,703,772	11,437,466
Liabilities				
Non-current Liabilities				
Loans - non current portion	7	894,669	700,513	425,000
Postpond checks - non current portion		-	12,950	-
Total Non-current Liabilities		894,669	713,463	425,000
Current Liabilities				
Accounts payable and other credit balances	8 & 14	457,057	638,744	481,647
Loans - current portion	7	125,630	106,250	212,500
Bank overdraft	9	16,880	201,512	83,937
Total Current Liabilities		599,567	946,506	778,084
Total Liabilities		1,494,236	1,659,969	1,203,084
TOTAL EQUITY AND LIABILITIES		12,124,625	12,363,741	12,640,550

The attached notes form part of these financial statements

Al-Rakaez Investment Company
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Statement of comprehensive income for the year ended December 31, 2021

	Notes	2021	2020
Revenues		JD	JD
Hotel revenues	10	858,948	518,031
Rents		171,430	145,512
Total Revenues		**1,030,378**	**663,543**
Expenses			
Operating expenses	11	(576,753)	(764,083)
Other operating expenses - property taxes		(15,030)	(18,881)
Administrative expenses	12	(92,564)	(147,704)
Depreciation	3	(419,373)	(464,997)
Total Expenses		**(1,103,720)**	**(1,395,665)**
Operating loss		**(73,342)**	**(732,122)**
Other revenues, net	13	52,437	76,964
Financing costs		(52,478)	(78,536)
Loss		**(73,383)**	**(733,694)**
Weighted average number of shares		12,500,000	12,500,000
Loss per share		JD (-/004)	JD (-/058)

The attached notes form part of these financial statements

Al-Rakaez Investment Company
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Statement of changes in equity for the year ended December 31, 2021

	Capital	Statutory reserve	Accumulated losses	Total
	JD	JD	JD	JD
Balance January 1, 2020 - before adjustment	12,500,000	93,706	(1,089,971)	11,503,735
Prior year adjutments - note (14)	-	-	(66,269)	(66,269)
Balance as at January 1, 2020 - after adjustment	12,500,000	93,706	(1,156,240)	11,437,466
Loss	-	-	(733,694)	(733,694)
Balance as at December 31, 2020	12,500,000	93,706	(1,889,934)	10,703,772
Loss	-	-	(73,383)	(73,383)
Balance as at December 31, 2021	12,500,000	93,706	(1,963,317)	10,630,389

The attached notes form part of these financial statements

Al-Rakaez Investment Company
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Statement of cash flows for the year ended December 31, 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES	JD	JD
Loss	(73,383)	(733,694)
Adjustments for :		
Depreciation of property and equipment	419,373	464,997
Transfer from property and equipments to expenses	155,304	850
Expected credit losses	340	13,244
Loss (profit) on disposal of property and equipment	6,238	(67,068)
Change in operating assets and liabilities:		
Inventory	4,084	18,503
Accounts receivable and other debit balances	(28,071)	157,744
Accounts payable and other credit balances	(182,367)	157,097
Net cash from operating activities	**301,518**	**11,673**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(301,404)	(335,239)
Net cash from investing activities	**(301,404)**	**(335,239)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans	213,536	169,263
Bank overdraft	(184,632)	117,575
Postpond checks	(12,950)	12,950
Net cash from financing activities	**15,954**	**299,788**
Net change in cash and cash equivalents	**16,068**	**(23,778)**
Cash and cash equivalents - beginning of year	2,802	26,580
Cash and cash equivalents - end of year	**18,870**	**2,802**

The attached notes form part of these financial statements

1. **Status and activities**

- Al-Rakaez Investment Company was established as a public shareholding company and registered in the register of public shareholding companies on September 27, 2006.

Legal Name	Registration Number	Date of incorporation	Location	Activity
Al-Rakaez investment company	418	September 27, 2006	Amman- Madina munnawwara Street	Tourism services

- The main objectives of the Company are:
  - Buying and selling of real estate inside and outside the Kingdom, and building residential units, commercial complex, towers, and tourist resorts.
  - Developing, deepening and settling different investments in the Kingdom through investing in all economic sectors inside and outside the Kingdom, and establishing, acquisition or owning shares in companies or in different projects.
  - Investing available liquidity in deposits, shares and investment portfolios.
  - Obtaining brands as agent, performing brokerage and trade representation.
  - On April 24, 2008, the Commission of Investment Incentives granted the company an exemption from governmental fees and taxes under the provisions of the Investment Promotion Law No. (16) For the year 1995. This law includes exempting the company from income tax for 25% of taxable income for a period of ten years starting from the date of initial operation on June 1, 2011, Under the provisions of Article 6 of the Investment Law No. 30 of 2014, the Technical Committee decided, in its session No. 7/30/191/2021 held on July 9, 2021, to approve granting exemptions the company from customs duties for the quantities of goods necessary to practice the activity and subject them to a zero-rate general sales tax If they were imported or purchased locally within three years from the date of the committee's decision to approve the quantities of exempted goods, the company must be registered with the Income and Sales Tax Department, in accordance with the provisions of Article No. 3 Paragraph C of the Investment Incentives Regulation No. 33 of 2015.
- The financial statements were approved by the Company's board of directors in its session held on February 12, 2022, and they are subject to the General Assembly of shareholder's approval.

2. **Basis for preparation of financial statements and significant accountant policies**

2-1 Basis for financial statement preparation

- <u>Financial statements preparation framework</u>

The financial statements have been prepared in accordance with International Financial Reporting Standards.

- <u>Measurement bases used in preparing the financial statements</u>

The financial statements have been prepared on the historical cost basis except for measurement of certain items at bases other than historical cost.

- <u>Functional and presentation currency</u>

The financial statements have been presented in Jordanian Dinar (JD) which is the functional currency of the entity.

2-2 Using of estimates

- When preparing of financial statements, management uses judgments, assessments and assumptions that affect applying the accounting policies and currying amounts of assets, liabilities, revenue and expenses. Actual result may differ from these estimates.
- Change in estimates are reviewed on a constant basis and shall be recognized in the period of the change, and future periods if the change affects them.
- For example, estimates may be required for expected credit loss, inventory obsolescence, useful lives of depreciable assets, provisions, and any legal cases against the entity.

2-3 Standards and Interpretations issued that became effective

Standard number or interpretation	Description	Effective date
Amendments to IFRS 16 Covid-19-related Rent Concessions.	As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. Main Changes : - Permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021); - Require a lessee applying the amendment to do so retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment.	June 1, 2020 / April 1, 2021
Interest Rate Benchmark Reform Phase 2 Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39.	In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7 IFRS 4 and IFRS 16 to address the issues that arise during the reform' of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide the following reliefs: - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. - The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.	January 1, 2021

Standards and Interpretations issued but not yet effective

Standard number or interpretation	Description	Effective date
Amendments to IFRS 1 Subsidiary First-time Adoption of International Financial Reporting Standards.	Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture.	January 1, 2022
IFRS (17) Insurance Contracts.	IFRS (17) was issued in May 2017 as replacement for IFRS (4) Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: • discounted probability-weighted cash flows • an explicit risk adjustment, and • a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. IFRS (17) requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts	January 1, 2023 (deferred from January 1, 2021).
Amendments to IAS (16) Property, Plant and Equipment.	The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.	January 1, 2022.
Reference to the Conceptual Framework (Amendments to IFRS 3).	Minor amendments were made to IFRS 3 to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The amendments also confirm that contingent assets should not be recognised at the acquisition date.	January 1, 2022.
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).	The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	January 1, 2022.
IFRS Standards 2018-2020.	Annual Improvements to IFRS 9, IFRS 16, IFRS 1 and IAS 41.	January 1, 2022.

Standard number or interpretation	Description	Effective date
Classification of Liabilities as Current or Non-Current Amendments to IAS (1).	The amendments to Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date . The amendments in Classification of Liabilities as Current or Non-current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position – not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items.	January 1, 2023 (deferred from January 1, 2022).
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).	The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, International Accounting Standards Board (IASB) has also developed guidance and examples to explain and demonstrate the application of the "four-step materiality process" described in IFRS Practice Statement 2. Once the entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement (2). The amendments are to be applied prospectively	January 1, 2023.
Definition of Accounting Estimates (Amendments to IAS 8).	On February 12, 2021, the International Accounting Standards Board (IASB) published "Definition of Accounting Estimates ". The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single transaction (Amendments to IAS 12 Income Taxes)	The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and affected entities would be require recognition of additional deferred tax assets and liabilities. That means the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.	January 1, 2023

2-4 Summary of significant accounting policies

- Property and equipment

  - Property and equipment are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.
  - After initial recognition, the property and equipment are carried, in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.
  - The depreciation charge for each period is recognized as expense. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed over the estimated useful life of the assets using the following rates:

Category	Depreciation rate
	%
Hotel building	2
Residential apartment	2
Swimming pool	10
Elevators	7
Heating, cooling and pumps	7
Vehicles	15
Furniture	10
Electrical equipment and computers	10

  - The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
  - The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
  - On the subsequent derecognition (sale or retirement) of the property and equipment, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.
  - Amount paid to build up property and equipment are initially carried to projects under construction account. When the project becomes ready for use, it will be transferred to property and equipment caption.

- Impairment of non-financial assets

  - At each statement of financial position date, management reviews the carrying amounts of its non-financial assets (property, plant and equipment and investment property) to determine whether there is any indication that those assets have been impaired.
  - If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset.
  - For the purpose of impairment valuation, assets are grouped at the lower level that have cash flow independently (cash generating unit), previous impairment for non-financial assets (excluding goodwill) is reviewed for the possibility of reversal at the date of the financial statements.
  - An impairment loss is recognized immediately as loss.

- Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately as income.

- <u>Inventories</u>
  - Inventories are measured at the lower of cost and net realizable value.
  - Inventory costs comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
  - Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
  - The cost of inventory is assigned by using the weighted-average cost formula.

- <u>Financial instruments</u>

  Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

  - <u>Financial assets</u>
    - A financial asset is any asset that is:
      (a) Cash;
      (b) An equity instrument of another entity;
      (c) A contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.
      (d) A contract that will or may be settled in the entity's own equity instruments.
    - Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset, but for financial assets at fair value through profit or loss, transaction costs are recognized in profit or loss.
    - Financial assets are classified to three categories as follows:
      - Amortized cost.
      - Fair value through other comprehensive income.
      - Fair value through profit or loss.
    - A financial asset is measured at amortized cost if both of the following conditions are met:
      (a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
      (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
    - Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:
      - The financial assets is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
      - The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interests on that principal amount outstanding.
    - All other financial assets (excluding financial assets at amortized cost or at fair value though other comprehensive income) are subsequently measured at fair value in profit or losses.
    - On initial recognition of an equity investment that is not held for trading, the entity may irrevocably elect to present subsequent changes in the investments fair value in other comprehensive income.

Subsequent measurement of financial assets

Subsequently financial assets are measured as follows:

Financial assets	Subsequent measurement
Financial assets at fair value through profit or loss	Are subsequently measured at fair value net gains or losses, including interests revenues or dividends, are recognized in profit or loss
Financial asserts at amortized cost	Are subsequently measured at amortized cost using effective interests method. - Amortized cost is reduced by impairment losses. - Interests income, gain and loss of foreign exchange and impairment loss are recognized in profit or loss. - Gain and loss from disposal are recognized in profit or loss.
Debts instruments at their value through other comprehensive income	Are subsequently measured at fair value - Interests income is calculated using effective interests method, gains and losses from foreign exchange, impairment losses are recognized in profit or loss. - Other net gains or losses are recognized in other comprehensive income. - On derecognition accumulated gains and losses in other comprehensive income are reclassified into profit or loss.
Equity instruments at fair value through other comprehensive income	Are subsequently measured at fair value - Dividends are recognized as income in profit or loss, unless the dividends clearly represent a recovery of part of investment cost. - Other net gains and losses are recognized in other comprehensive income (OCI) and are never reclassified from equity to profit or loss.

Derecognition of financial assets

Derecognition of financial assets (or a part of a group of similar financial assets) when:
- The contractual rights to the cash flow from the financial assets expire, or
- It transfers the contractual rights to receive the cash flows of the financial assets or assume a contractual obligation to pay the cash flows entirely to a third party.

- **Financial liabilities**

- A financial liability is any liability that is:
  (a) A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
  (b) A contract that will or may be settled in the entity's own equity instruments.
- Financial liabilities are initially recognized at fair value less transaction costs, directly attributable to the acquisition or issue of those liabilities, except for the financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.
- After initial recognition, the entity measures all financial liabilities at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss which are measured at fair value and other determined financial liabilities which are not measured under amortized cost method.
- Financial liabilities at fair value through profit or loss are stated at fair value, with any resulting gain or loss from change in fair value is recognized through profit or loss.

Trade payables and accruals

Trade payables and accruals are liabilities to pay for goods or services that have been received or supplied and have been either invoiced or formally agreed with the suppliers or not.

- Offsetting financial instruments

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, an entity currently has a legally enforceable right to set off amounts and intends either to settle in a net basis, or through realize the asset and settle the liability simultaneously.

- Trade receivables

- Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- Trade receivables are stated at invoices amount net of allowance expected credit losses which represents the collective impairment of receivables.

- Cash and cash equivalents

Cash comprises cash on hand, current accounts and short term deposits at banks with a maturity date of three months or less, which are subject to an insignificant risk of changes in value.

- Impairment of financial assets

- At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVTOCI are credit - impaired. A financial assets is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.
- The entity recognizers loss allowance for expected credit loss (ECL) on:
  - Financial assets measured at amortized cost.
  - Debt investments measured at FVOCI.
  - Contract assets.
- The entity measures loss allowances at an amount equal to lifetime ECLs.
- Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.
- When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Entity considers reasonable and supportable information that is relevant and available without undue cost or effort based in the entitys historical experience and forward looking information.
- The entity considers a financial asset to be in default when:
  - The client is unlikely to pay its credit obligations to the entity in full, without recourse by the entity to actions such as realizing security (if any); or
  - The financial asset is more than 360 days past due.
- Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.
- A financial assets is written of when there is no reasonable expectation of recovering the contractual cash flows. The entity write of the gross carrying amount of the financial asset is in case of, liquidation, bankruptcy or issuance of a court ruling to reject the claim for financial asset.

- Provisions
  - Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.
  - Provisions reviewed and adjusted at each statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income.
  - If the entity expected to be reimbursed for a part or full provision, the reimbursement shall be recognized within assets, when it is virtually certain and its value can be measured reliably.
  - In the statement of comprehensive income, the expense relating to a provision may be presented net of the amount recognized for reimbursement.
  - Where the effect of the time value of money is material, provisions are discounted by using a currently pre-tax discount rate that reflect the risks specific to the liability, when using discount any increase in provision is recognized as a financial cost over time.

- Basic earnings per share

  Basic earnings per share is calculated by dividing profit or loss, attributable to ordinary shareholders, by the weighted average number of ordinary shares outstanding during the year.

- Revenue recognition
  - The entity recognize revenue from sale of good and rendering of service when control is transferred to the customer.
  - Revenues are recognized based on consideration specified in contract with customer that expected to be received excluding amounts collected on behalf of third parties.
  - Revenue is reduced for amount of any trade discounts and volume rebates allowed by the entity.

- Leases contract
  - A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. As for other types of lease contract, they are classified as operating lease contracts. The contracts are classified upon the start of the lease contract.
  - Lease income from operating lease is recognized in income on a straight-line basis over the term of the relevant lease. Initial direct costs incurred by the entity in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognized as an expense over the lease term on the same basis as the lease income. Assets leased under operating leases are depreciated based on the same depreciation policy adopted by the entity for similar assets.

- Borrowing costs
  - Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.
  - Borrowing costs are expensed in the period in which they are incurred.

- **Foreign currencies**

  - In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions.
  - At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement date (closing rate). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.
  - Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

- **Contingent liabilities**

  - Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably.
  - Contingent liabilities are not recognized in the financial statements.

3. Property and equipment

2021	Land	Hotel building	Residential apartment	Swimming pool	Elevators	Heating, cooling and pumps	Vehicles	Furnitures	Electrical equipment and computers	Project under construction	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost											
Beginning of year balance	3,177,747	9,582,730	105,246	16,281	200,015	141,852	19,000	1,386,648	1,194,799	289,464	16,113,782
Additions	-	45,616	-	-	-	4,915	-	113,570	8,449	128,824	301,404
Transfers to expenses	-	-	-	-	-	-	-	-	-	(155,304)	(155,304)
Disposal	-	-	-	-	-	-	-	(45,735)	(22,881)	-	(68,616)
End of year balance	3,177,747	9,628,346	105,246	16,281	200,015	146,797	19,000	1,454,483	1,180,367	262,984	16,191,266
Accumulated depreciation											
Beginning of year balance	-	1,668,006	16,839	14,653	123,676	47,612	12,400	1,159,573	848,706	-	3,891,465
Depreciation	-	193,759	-	1,627	14,001	9,938	1,800	80,835	117,413	-	419,373
Disposals	-	-	-	-	-	-		(42,171)	(20,207)	-	(62,378)
End of year balance	-	1,861,765	16,839	16,280	137,677	57,550	14,200	1,198,237	945,912	-	4,248,460
Net	3,177,747	7,766,581	88,407	1	62,338	89,247	4,800	256,246	234,455	262,984	11,942,806

2020	Land	Hotel building	Residential apartment	Swimming pool	Elevators	Heating, cooling and pumps	Vehicles	Furnitures	Electrical equipment and computers	Project under construction	Total
Cost											
Beginning of year balance	3,177,747	9,428,179	105,246	16,731	200,015	136,716	19,000	1,448,572	1,167,904	207,600	15,907,710
Additions	-	13,361	-	-	-	2,926	-	7,765	17,805	293,382	335,239
Transfers	-	150,086	-	-	-	4,350	-	24,400	31,832	(210,668)	-
Transfers to expenses	-	-	-	-	-	-	-	-	-	(850)	(850)
Disposals	-	(8,896)	-	(450)	-	(2,140)	-	(94,089)	(22,742)	-	(128,317)
End of year balance	3,177,747	9,582,730	105,246	16,281	200,015	141,852	19,000	1,386,648	1,194,799	289,464	16,113,782
Accumulated depreciation											
Beginning of year balance	-	1,497,056	12,623	13,514	104,769	48,331	10,750	1,110,673	824,137	-	3,621,853
Depreciation	-	188,663	4,216	1,628	18,907	9,464	1,650	136,350	104,119	-	464,997
Disposals	-	(17,713)	-	(489)	-	(10,183)	-	(87,450)	(79,550)	-	(195,385)
End of year balance	-	1,668,006	16,839	14,653	123,676	47,612	12,400	1,159,573	848,706	-	3,891,465
Net	3,177,747	7,914,724	88,407	1,628	76,339	94,240	6,600	227,075	346,093	289,464	12,222,317

4. Accounts receivable and other debit balances

	2021	2020
	JD	JD
Trade receivables (*)	225,382	202,924
Checks under collection and on hand	1700	4,264
Employees receivable	1000	2,552
Less: allowance for expected credit losses (**)	(118,087)	(138,450)
Net	109,995	71,290
Prepaid expenses	6,688	15,787
Al- Jazeera for Trading Co. receivable - related party	1,769	-
Income tax deposits	1,733	-
Stamps	586	-
Others	312	-
Petty cash	259	288
Sales tax deposits	-	5,127
Refundable deposits	-	360
Social security claim-work injury compensation	-	79
Total	121,342	92,931

(*) Trade receivables are concentrated in one customer comprising 46% of total trade receivables balance as at December 31, 2021.

(**) Movement of allowance during the year was as following:

	2021	2020
	JD	JD
Beginning of year balance	138,450	125,206
Provided	340	13,244
Losses incurred	(707)	-
Recovery of allowance	(19,996)	-
End of year balance	118,087	138,450

- The ages of trade as at 31 December 2021 are as follows:

	2021	2020
	JD	JD
1-30	37,010	9,671
31-60	16,134	10,540
61-90	10,927	6,427
91-120	20,485	6,994
121-180	5,608	9,060
181 and above	135,218	160,232
Total	225,382	202,924

5. Cash and cash equivalents

	2021	2020
	JD	JD
Cash on hand	10,714	52
Current accounts at banks	8,156	2,750
Total	18,870	2,802

6. Statutory reserve

- Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals one quarter of the Company's subscribed capital. However, the Company may, with the approval of the General Assembly, continue to deduct this annual ratio until this reserve equals the subscribed capital of the Company in full. Such reserve is not available for dividends distribution.
- For the general assembly after exhausting other reserves to decide in an extraordinary meeting to quench its losses from the accumulated amounts in statuary reserve, and to rebuild it in accordance with the provisions of the law.

7. Loans

						2021			2020
Lender	Loan objectives	Loan period	Guarantees	Loan amount	Interest rate	Current portion	Non-current portion	Total	Total
				JD	%	JD	JD	JD	JD
Jordan commercial bank	Contribution to the hotel renovation process	The maturity of the first installment has been postponed to June 30, 2021, and the other installments are due every six months (according to 8 semi-annual installments, amounting to JD 87,500 for each installment.	Personal guarantee of Mr. Mazen Khairee Ayass	700,000	8.75	87,500	420,299	507,799	507,799
Jordan commercial bank	Contribution to financing the upgrading of hotel halls	The maturity of the first installment has been postponed to June 30, 2021, and the other installments are due every six months (according to 8 semi-annual installments, amounting to JD 18750 for each installment.	Personal guarantee of Mr. Mazen Khairee Ayass	150,000	8.75	18,750	93,750	112,500	112,500
Jordan commercial bank	Contribution to financing the hotel maintenance	The loan is to be repaid in 97 monthly installments of 4,845 Jordanian dinars for each installment due to the first installment on September 29, 2022	Personal guarantee of Mr. Mazen Khairee Ayass	400,000	4	19,380	380,620	400,000	186,464
Total						125,630	894,669	1,020,299	806,763

8. Accounts payable and other credit balances

	2021	2020
	JD	JD
Accured expenses	131,848	50,419
Trade payables (*)	101,826	303,037
Provisions (***)	83,563	75,248
Uncleared checks	46,830	46,934
Unearned revenues	35,014	70,533
Refundable deposits	30,724	-
Deposits	12,241	60,737
Employee receviables	5,684	18,320
Sales tax deposits	4,157	-
Services deposits	2,524	2,133
Others	2,257	661
Shareholders deposits	389	389
Al- Jazeera for Trading Co. receivable - related party (**	-	5,806
Accrued interest loan installments	-	4,527
Total	457,057	638,744

(*) Trade payable are concentrated in one account payables comprising 24% of the total trade payables as at December 31, 2021.

(**) Transactions with related parties consist of transactions with major shareholders and companies under the control of the shareholders. Transactions with related parties are transactions of a financing nature.

(***) Movement of the provisions item during the year was as the following:

	2021	2020
	JD	JD
Tax penalties provision	71,449	71,449
Vacation provision	10,714	3,799
End of service indemnity provision	1,400	-
End of year balance	83,563	75,248

9. Bank overdraft

This represents facilitation granted to the company from the Jordan Commercial Bank with a ceiling of JD 200,000 at an interest rate of 8.75%, the facility was granted by the guarantee of the Shareholder Mr. Mazen Khairee Ayass.

10. Hotel revenues

	2021	2020
	JD	JD
Rooms	489,676	330,437
Food and beverage	209,742	144,690
Other	159,530	42,904
Total	858,948	518,031

11. Operating expenses

	2021	2020
	JD	JD
Salaries, wages and employees' benefits	163,527	432,428
Utilities	158,611	111,907
Food and beverage	81,062	39,266
Maintenance	30,644	33,014
Governmental fees	20,646	13,362
Credit card charges and online booking	19,569	20,171
Consumables	15,783	8,945
Guest services	13,464	7,289
Stationery	10,928	4,125
Rent	9,083	17,500
Professional fees	9,002	11,213
Miscellaneous	8,828	18,179
Communication	8,201	8,497
Insurance	6,341	5,466
Cleaning	4,730	6,515
Advertising and promotion	4,120	10,943
Subscriptions	3,756	4,736
Uniforms	2,957	95
Accommodations and transportation	2,298	4,960
Training	1,295	915
Stamps	1,031	347
Bank charges	684	1,752
Tourism companies commission	160	295
Hospitality	33	2,163
Total	576,753	764,083

12. Administrative expenses

	2021	2020
	JD	JD
Salaries, wages and employees benefits (*)	52,800	75,081
Governmental fees	13,887	13,219
Advertising and promotion	11,293	10,775
Professional fees	4,375	10,125
Security	2,813	1,829
Communication	2,263	1,214
End of service indemnity	1,400	-
General assembly meeting	1,040	6,215
Miscellaneous	856	38
Stamps	656	935
Maintenance	425	850
Expected credit losses	340	13,244
Stationery	270	211
Bank charges	116	642
Hospitality	30	190
Penalties		5,180
Board of directors transportations	-	3,500
Insurance	-	2,567
Bad debts	-	1,548
Travel	-	341
Total	**92,564**	**147,704**

(*) This item includes salaries of executive management amounting to JD 10,225 for the year ended December 31, 2021 (JD 40,573 for the year ended December 31, 2020).

13. Other revenue, net

	2021	2020
	JD	JD
Fuel	45,042	-
Others, net	7,395	9,896
Profit from disposal of property and equipment	-	67,068
Total	**52,437**	**76,964**

14. Prior year adjustments

The financial statements for previous years have been adjusted to comply with International Accounting Standard No. (8), which allows the financial statements to be adjusted in the event that errors from previous periods are discovered as a result of incorrect use of the available information, at that time related to sales tax of 16%, an income tax of 10%, and a national contribution of 1% on imported services:

The following is the effect of the adjustments to the statement of financial position as of December 31, 2020:

	December 31, 2020 Before Adjustment	Adjustment	December 31, 2020 After Adjustment
	JD	JD	JD
Administrative expenses	142,524	5,180	147,704
Accounts payable and other credit balances	(633,564)	(5,180)	(638,744)

The following is the effect of the adjustments to the statement of financial position as of January 1, 2020:

	January 1, 2020 Before Adjustment	Adjustment	January 1, 2020 After Adjustment
	JD	JD	JD
Accumulated losses	1,089,971	66,269	1,156,240
Accounts payable and other credit balances	(415,378)	(66,269)	(481,647)

15. Tax status

- The company settled its income tax for the year 2017.
- Tax returns for the years 2018, 2019 and 2020 were submitted within the legal period.
- According to the tax consultant, there is no need to make a provision for income tax for the year 2021 because there is no taxable income and due to the presence of tax-acceptable accumulated losses.

16. Legal cases

As stated in the lawyer's letter, there are legal cases raised by the Company against others amounting to JD 3,538, and there is also a labor case raised against the company for JD 7,120 and the cases are still outstanding in the related courts.

17. Risk management

a) Capital risk

Regularly, the capital structure is reviewed and the cost of capital and the risks associated with capital are considered. In addition, capital is managed properly to ensure continuing as a going concern while maximizing the return through the optimization of the debt and equity balance.

b) Currency risk

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The risk arises on certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year.
- Most of foreign currency transactions are in USD, and JD exchange rate is fixed against USD.
- The Company is not exposed to currency risk.

c) Interest rate risk

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- The risk arises on exposure to a fluctuation in market interest rates resulting from borrowings and depositing in banks.
- The risk is managed by maintaining an appropriate mix between fixed and floating interest rates balances during the financial year.
- The following table shows the sensitivity of profit or loss and equity to changes in interest rates paid by the entity on borrowing from bank:

Description	Change in interest	Effect on equity
	%	JD
Bank overdraft	0.5 ±	1,008 ±
Loans	0.5 ±	4,034 ±

d) Other price risk

- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- The risk arises from investing in equity investments. However, this risk is insignificant since no active trading on these investments is occurred.
- The Company is not exposed to other price risk.

e) Credit risk

- Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Regularly, the credit ratings of debtors and the volume of transactions with those debtors during the year are monitored.
- Ongoing credit evaluation is performed on the financial condition of debtors.
- The carrying amount of financial assets recorded in the financial statements represents the maximum exposure to credit risk without taking into account the value of any collateral obtained.

f) Liquidity risk

- Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.
- Liquidity risk is managed through monitoring cash flows and matching with maturity dates of the financial assets and liabilities.

- The following table shows the maturity dates of financial assets and liabilities as of December 31:

Description	Less than one year		1 year and above	
	2021	2020	2021	2020
	JD	JD	JD	JD
Financial assets:				
Accounts recievable and other debit balances	114,654	77,144	-	-
Cash and cash equivalents	18,870	2,802	-	-
Total	133,524	79,946	-	-
Financial liabilities:				
Loans	125,630	106,250	894,669	700,513
Postponded checks	-	-	-	-
Accounts payable and other credit balances	352,707	333,574	-	-
Bank overdraft	16,880	201,512	-	-
Total	495,217	641,336	894,669	700,513

18. The effects of Covid-19

As a result of the spread of the Coronavirus (Covid-19) at the beginning of 2021 and its outbreak in several geographical regions around the world, including the Hashemite Kingdom of Jordan and its impact on the global economy, and based on the decision of the Jordanian Cabinet on March 17, 2021, the Defense law was imposed. All business activities were suspended Commercial and economic activities, in whole or in part, until further notice, and it is part of the precautionary measures taken by the government to combat the spread of the Coronavirus. Because of this decision, most business activities in the Hashemite Kingdom of Jordan were affected. Whereas (Covid-19) created a state of uncertainty in the global economic environment

The management, when preparing the financial statements, assessed the company's ability to remain as a continuous facility and other risk management practices to manage potential disturbances on the facility's business, operations, and financial performance that may cause the outbreak of (Covid-19) by evaluating the effects of the business of the facility. To the conclusion that accounting according to the going concern basis is appropriate. As a result of the possible impacts of the Coronavirus, the facility management has taken future information for the twelve months following the reporting period, at least, whether it is related to the adverse effects of the virus on the functioning of the business or the ability to repay its debts in the event that things return to normal within a reasonable time.

The entity has studied the potential effects of current economic fluctuations in determining the declared amounts of the entity's financial and non-financial assets, representing management's best estimates based on observable information. Markets remain volatile, and the recorded quantities continue to be sensitive to fluctuations in the market.

To determine the impact of the Covid-19 crisis on the company's business results and to determine the adequacy of the provision or the extent of the need for additional allocations, a set of inputs and hypotheses for measuring expected credit losses have been adopted in light of the available information that was used in the impact assessment, which was based on an essential pillar that is a combination that enables the company to monitor the impact of the crisis on its business through the global practices of calculating expected credit losses based on the International Financial Reporting

Standard No. 9 and amend the calculation models developed for this purpose in a way that helps in taking the current crisis into account and arriving at reasonable expectations for the outcomes of the situation.

Based on the emergency board resolution No. 116 of April 11, 2021, which includes the inability to continue work from April 1, 2021, for a subsequent period of no less than six months from the date of the end of the crisis, and since hotels lost their work for the next tourist season, and the Board of Directors decided in its emergency session to submit a formal request to close the facility and authorize the higher management board to the trustees with the procedures required to implement the decision of the board

The company's operational activity has been suspended due to the stop of the tourist activity until the return of the activity in the Kingdom to save the expenses related to that activity. Decision No. 3645 was issued on November 8, 2021, approving the complete suspension of work in the company and the suspension of contracts for all workers **from December 2021 until February 1, 2021, provided that:**

- Payment of wages as usual for all employees of the company for the month of March of 2021, according to Defense Order No. 6 of 2021.
- Payment of workers' usual wages from April 1, 2021, until the date on which the application is approved, noting that the approval will result in the following:
  - An employer who has completely suspended work at his establishment may not engage in any work or activity during the suspension period.
  - The contractual relationship between the employer and the worker is not interrupted during the suspension period, and the employer is not obligated to pay the worker's wages during this period.
  - The period of suspension of work is not counted from the term of the employment contract.
  - All contractual obligations incurred by the employer remain in effect during the suspension period, except for workers' wages.
  - The business owner does not benefit from any financial protection programs from the date of cessation.
  - A ban on the disposal of movable and immovable funds belonging to the company shall be placed during the suspension period.

The suspension of work in the company and the suspension of work contracts was approved **from February 1, 2021 until April 1, 2021 provided that:**

- Payment of wages as usual for all employees of the company for the month of March of 2021, according to Defense Order No. 6 of 2021.
- Payment of workers' usual wages from April 1, 2021, until the date on which the application is approved, noting that the approval will result in the following:
  - An employer who has completely suspended work at his establishment may not engage in any work or activity during the suspension period.
  - The contractual relationship between the employer and the worker is not interrupted during the suspension period, and the employer is not obligated to pay the worker's wages during this period.
  - The period of suspension of work is not counted from the term of the employment contract.
  - All contractual obligations incurred by the employer remain in effect during the suspension period, except for workers' wages.
  - The business owner does not benefit from any financial protection programs from the date of cessation.
  - A ban on the disposal of movable and immovable funds belonging to the company shall be placed during the suspension period.

The loans mentioned in Note 7 have been rescheduled due to the spread of the Coronavirus (Covid-19) at the beginning of 2021, as the payment of loan installments has been postponed as of June 30, 2021 with all conditions and guarantees remaining as they were.