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تحية طيبة وبعد،

شاکرین لکم حسن تعاونکم ،

هيئة الأوراق المالية
الدايرة الإدارية / القدس
٢٠١٧
الرقم التسلسلي ٢١٥٥٩
الجهة المختصة ١٠٠٠ (١٠٠٠)

**JORDAN DECAPOLIS PROPERTIES COMPANY
AND IT'S SUBSIDIARIES (THE GROUP)
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION FOR THE SIX MONTHS
ENDED JUNE 30, 2017**

**TOGETHER WITH THE INDEPENDENT AUDITOR'S
REPORT ON THE REVIEW OF THE CONDENSED
CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**JORDAN DECAPOLIS PROPERTIES COMPANY
AND IT'S SUBSIDIARIES (THE GROUP)
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN**

FOR THE SIX MONTHS ENDED JUNE 30, 2017

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Kawasmy & Partners CO.
Amman - Jordan
Shmeisani, Al-Shareef Abdul Hameed Sharaf Str. BLD # 28
Tel : +962 6 5650700, Fax : +962 6 5688598

A translated version from the Original Arabic conclusion.

**Independent Auditor's Report on the Review of the
Condensed Consolidated Interim Financial Information**

**To the Chairman and the Members of the Board of Directors
Jordan Decapolis Properties Company
And its subsidiaries (the group)
(Public Shareholding Company)
Amman – Jordan**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Jordan Decapolis Properties Company - Public Shareholding Company - and its subsidiaries ("the Group") as at June 30, 2017 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the six months period then ended. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated 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 Entity". A review of condensed consolidated 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.

Basis for Qualified Conclusion

- Discontinued operations assets and related liabilities as disclosed in note 9 are attributable to Muniah for Specialized Tourism Company (Dibbin Area Project), which is currently under voluntary liquidation. We have not obtained sufficient and appropriate review evidence about this project, as the entire project documentation is with the Company's liquidator, accordingly we were unable to determine whether any adjustments are required to the interim condensed consolidated financial information.
- Projects under construction include capitalized loan interest on Al-Abdali project cost amounted to JD 170,394 which was capitalized during the period instead of recording it in the condensed consolidated interim statement of profit or loss and other comprehensive income. Knowing that the accumulated capitalized interest over this project since the project was ceased has reached JD 889,243 as of June 30, 2017. However, International Financial Reporting Standards state that once work on projects in progress is ceased, interest expense related to financing the projects should not be capitalized as part of its cost. This lead to the current period loss to be reduced by the amount of JD 170,394, the accumulated losses reduction by the amount of JD 889,243 and the increase in the project under construction by the same amount. Noting that this project is mortgaged for a local bank against a declining loan for the purpose of financing the completion of this project, the second installment of this loan was due on June 30, 2017 and the group did not pay this installment or make any scheduling for the due amounts. Therefore, we were unable to determine whether any impairment provision should



be recognized over the project, if any as of June 30, 2017. Accordingly, we were unable to determine the related impact over the condensed consolidated interim financial information. The possibility of the project amount recoverability depends on the completion of this project, its operations success, its profitability and liquidity availability in the future.

- Financial assets at fair value through other comprehensive income represents shares investment in Saraya Aqaba for Real Estate Development Company amounted to JD 3,503,711 as of June 30, 2017 and December 31, 2016. The audited financial statements of Saraya Aqaba for Real Estate Development Company which has been provided to us as of December 31, 2016 shows a change in the fair value of this investment amounted to JD 2,395,911, the Group has not recorded this change through other comprehensive income, which is not in accordance with International Financial Reporting Standards. If the Group recognizes this change, it will result in a reduction of financial assets at fair value through other comprehensive income and other comprehensive income for the period and net equity by the amount of JD 2,395,911.
- Investment property includes investments in lands, for which the management has not provided us with a comprehensive, recent study to ensure whether there is any impairment in the value of these lands. Therefore, we have not been able to ensure whether any impairment provisions should be recorded on the value of these lands, fair value adjustments and related goodwill if any. Accordingly, we were unable to determine whether any adjustments are required to the condensed consolidated interim financial information.
- The Group's management has requested confirmation letters from the group's lawyers for the period ended June, 30 2017. We have not received three lawyers' confirmations from the Group's lawyers as of June 30, 2017 up to the date of this report. We have not been able to obtain sufficient and appropriate review evidence through any alternative review procedures against any liabilities that may arise to the Group, accordingly we have not been able to determine whether any adjustments are required to the condensed consolidated interim financial information.

Qualified Conclusion

Based on our review and except for the possible effects and the effects of what is mentioned in the basis of qualified conclusion paragraphs above, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information of the Group as of June 30, 2017 is not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

Other matter

The financial statements of the Group for the year ended December 31, 2016 were audited by another auditor who issued his qualified audit opinion dated March 30, 2017 about the capitalized interest over the discontinued operations assets, capitalized interest over the projects under construction, projects under construction suspension and related impairment indications, no impairment study and the absence of audited financial statements for the associate company, and the condensed consolidated interim financial information for the period ended June 30, 2016 was reviewed by the same auditor who issued a qualified conclusion on July 31, 2016 about the capitalized interest over the discontinued operations assets.

Kawasmy & Partner
KPMG

Hatem Kawasmy
License No. (656)

Amman – Jordan
July 31, 2017



**JORDAN DECAPOLIS PROPERTIES COMPANY
AND IT'S SUBSIDIARIES (THE GROUP)
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

<i>Jordanian Dinar</i>		As of June 30, 2017 (Reviewed not audited)	As of December 31, 2016 (Audited)
	Note		
Assets			
Non-current assets			
Property and equipment	6	109,321	133,443
Projects under construction	7	11,757,379	11,543,650
Investment properties		22,286,201	22,401,508
Lands under development		20,467,303	20,467,303
Deferred tax assets		2,318,485	2,318,485
Investment in associate		4,497,487	4,518,050
Financial assets at fair value through other comprehensive income		3,503,711	3,503,711
Total non-current assets		64,939,887	64,886,150
Current assets			
Accounts receivable		386,916	381,391
Other debit balances		370,283	262,256
Due from related parties	11	532,000	602,000
Cash and cash equivalents	8	1,208,300	1,488,278
Discontinued operations assets	9	33,327,309	33,327,309
Total current assets		35,824,808	30,061,234
Total assets		100,764,695	100,947,348
Shareholder's equity			
Equity attributable to the Company equity holders			
Paid-up capital	1	46,967,755	46,967,755
Statutory reserve		1,050,170	1,050,170
Treasury shares	10	(273,458)	(273,458)
Accumulated losses		(1,316,799)	(1,070,346)
Net equity attributable to the Company equity holders		46,427,668	46,674,121
Non-controlling interests		19,561,771	19,548,322
Total equity		65,989,439	66,258,443
Liabilities			
Non-current liabilities			
Long term bank loans	12	-	1,835,798
Total non-current liabilities		-	1,835,798
Current liabilities			
Accounts payable		668,356	681,184
Other credit balances		799,833	744,087
Due Bank loans installments	12	3,671,319	1,835,798
Deferred revenues		178,620	134,946
Discontinued operations related liabilities	9	29,457,128	29,457,128
Total current liabilities		34,775,256	32,853,143
Total liabilities		34,775,256	34,688,941
Total shareholders' equity and liabilities		100,764,695	100,947,348

The accompanying notes on pages from (7) to (13) are integral parts of these condensed consolidated interim financial information.

The condensed consolidated interim financial information were approved by Board of Directors on July 25, 2017.

Chairman

General Manager

Financial Manager

**JORDAN DECAPOLIS PROPERTIES COMPANY
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AMMAN – JORDAN**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (REVIEWD NOT AUDITED)**

<i>Jordanian Dinar</i>	For the three months ended June 30,		For the six months ended June 30,	
	2017	2016	2017	2016
Revenues from properties lease	81,890	137,657	165,189	278,637
Revenues from properties sales	-	1,600,000	-	1,600,000
Properties and projects management fees	20,790	20,563	41,580	40,953
	<u>102,680</u>	<u>1,758,220</u>	<u>206,769</u>	<u>1,919,590</u>
Properties operating expenses	(76,186)	(145,074)	(175,437)	(298,158)
Cost of properties sold	-	(964,720)	-	(964,720)
Properties and projects management cost	(21,233)	(22,199)	(41,464)	(47,020)
Net (loss) profit from operating activities	<u>5,621</u>	<u>626,227</u>	<u>(10,132)</u>	<u>609,692</u>
Other income	108,163	-	109,717	7,035
Administrative expenses	(115,696)	(112,501)	(224,300)	(221,378)
Depreciation	(69,481)	(77,340)	(139,842)	(143,913)
Group's share from associate company losses	(8,961)	(11,214)	(20,563)	(19,312)
Interest income	8,361	6,025	16,116	30,552
Financing cost	-	(7,231)	-	(29,408)
(Loss) profit for the period before income tax	<u>(72,353)</u>	<u>423,966</u>	<u>(269,004)</u>	<u>233,268</u>
Income tax expense for the period	-	(3,051)	-	(3,051)
Net (loss) profit for the period from continuing operations	<u>(72,353)</u>	<u>420,215</u>	<u>(269,004)</u>	<u>230,217</u>
Discontinued operations				
Loss for the period from discontinued operations	-	(3,479)	-	(7,777)
Net (loss) profit for the period	<u>(72,353)</u>	<u>417,418</u>	<u>(269,004)</u>	<u>222,440</u>
Other comprehensive income items	-	-	-	-
Total comprehensive income for the period	<u>(72,353)</u>	<u>417,418</u>	<u>(269,004)</u>	<u>222,440</u>
Attributable to:				
Shareholders' of the Company	(67,460)	282,222	(246,453)	108,143
Non-controlling interests	(4,893)	135,196	(22,551)	114,297
	<u>(72,353)</u>	<u>417,418</u>	<u>(269,004)</u>	<u>222,440</u>
Basic and diluted period loss per share attributable to the group shareholder's	<u>(0.002)</u>	<u>0.004</u>	<u>(0.006)</u>	<u>(0.002)</u>

The accompanying notes on pages from (7) to (13) are integral parts of these condensed consolidated interim financial information.
The condensed consolidated interim financial information were approved by Board of Directors on July 25, 2017.

Chairman

General Manager

Financial Manager

JORDAN DECAPOLIS PROPERTIES COMPANY
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AMMAN – JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (REVIEWED NOT AUDITED)

Jordanian Dinar

For the six months ended June 30, 2017

Balance at January 1, 2017

Loss for the period

Balance at June 30, 2017

For the six months ended June 30, 2016

Balance at January 1, 2016

Profit for the period

Balance at June 30, 2016

	Paid up Capital	Statutory Reserve	Treasury stocks	Accumulated losses	Total	Non- controlling interests	Total shareholder's equity
Balance at January 1, 2017	46,967,755	1,050,170	(273,458)	(1,070,346)	46,674,121	19,584,322	66,258,443
Loss for the period	-	-	-	(246,453)	(246,453)	(22,551)	(269,004)
Balance at June 30, 2017	46,967,755	1,050,170	(273,458)	(1,316,799)	46,427,668	19,561,771	65,989,439
For the six months ended June 30, 2016							
Balance at January 1, 2016	46,967,755	1,035,062	(273,458)	(623,827)	47,105,532	19,454,423	66,559,955
Profit for the period	-	-	-	108,143	108,143	114,297	222,440
Balance at June 30, 2016	46,967,755	1,035,062	(273,458)	(515,684)	47,213,675	19,568,720	66,782,395

The accompanying notes on pages from (7) to (13) are integral parts of these condensed consolidated interim financial information.
The condensed consolidated interim financial information were approved by Board of Directors on July 25, 2017.

**JORDAN DECAPOLIS PROPERTIES COMPANY
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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(REVIEWD NOT AUDITED)**

<i>Jordanian Dinar</i>	<i>Note</i>	For the six months ended June 30	
		2017	2016
Cash flows from operating activities:			
(Loss) profit for the period before income tax from continued operations		(269,004)	233,268
Loss for the period before income tax from discontinued operations		-	(7,777)
Adjustments:			
Depreciation		139,842	143,913
Gain from sale of investments properties		-	(705,141)
Group's share from associate company loss		20,563	19,312
Finance cost		-	29,408
Interest income		(16,116)	(30,552)
Cash flows used in operating activities before changes in working capital items:		(124,715)	(317,569)
Changes in working capital items:			
Accounts receivable and other debit balances		(113,552)	(23,297)
Due from related party		70,000	-
Other credit balances		55,746	-
Deferred revenues		43,674	19,043
Accounts payable		(12,828)	(2,375,957)
Income tax paid		-	(11,584)
Net cash flows used in operating activities		(81,675)	(2,709,364)
Cash flows from investing activities:			
Acquisition of property and equipment		(413)	-
Projects under construction		(43,335)	(20,308)
Proceeds from sale of investment properties		-	1,600,000
Interest received		16,116	30,552
Net cash flows (used in) from investing activities		(27,632)	1,610,244
Cash flows from financing activities:			
Bank loan		(277)	(1,917,899)
Interest paid		(170,394)	(203,070)
Net cash flows used in financing activities		(170,671)	(2,120,969)
Net change in cash and cash equivalents		(279,978)	(3,220,089)
Cash and cash equivalents at the beginning of the period		1,488,278	5,151,069
Cash and cash equivalents at the end of the period	8	1,208,300	1,930,980

The accompanying notes on pages from (7) to (13) are integral parts of these condensed consolidated interim financial information.

**JORDAN DECAPOLIS PROPERTIES COMPANY
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1) General

On May 16, 2000, Real Estate Investment Company (Aqarco) (P.S.C) and the Centralized General Trading Enterprise (P.S.C) agreed to merge into one company, which was registered as a public shareholding company under registration No. (169) under the name of Real Estate Investment Trading Company (Aqarco). The merge of the two companies was taken into consideration on 1 January 2000 for the purpose of the consolidated financial statements preparation.

The extraordinary general assembly has approved in its meeting held on 3 April 2008, to change the name of the Company to become Jordan Dubai Properties Company Instead of Real Estate Investment Trading Company (Aqarco). Also, during the year 2012, the Company's name was changed again from Jordan Dubai Properties Company to Jordan Decapolis Properties Company.

The principal activities of the Company are to invest through acquiring plots of land, investment properties, general trading, leasing stores for cooling, storage and real estate projects management. The activities of the Company have been amended during 2008 to include the establishment of different types of companies and acquiring shares and stocks in the standing companies.

The principal activities of the subsidiaries, are leasing, managing and establishment of real estate projects, in addition to investing in touristic projects.

The Company's headquarter is located in Al-Abdali Amman – Jordan.

The condensed consolidated interim financial information were approved by the Group's Board of Directors on its meeting held on July 25, 2017.

2) Basis Of Condensed Consolidated Interim Financial Information Preparation

(a) Statement of compliance

- The condensed consolidated interim financial information for the six months ended June 30, 2017 have been prepared in accordance with IAS 34 "Interim Financial Reporting".
- This condensed consolidated interim financial information should be read with the consolidated financial statements for the year ended December 31, 2016. As well as the financial performance for the condensed consolidated interim financial information for the period ended June 30, 2017 does not necessarily give an indication for the expected financial performance for the year that will be ending on December 31, 2017. In addition, no appropriation has been made on the profit for the period to reserves, which will be appropriated in the annual consolidated financial statements at the end of the year 2017.
- The measurement and recognition considerations applied in the consolidated financial statements as of December 31, 2016 have been accounted for, moreover, the Company did not have transactions effected be seasonality events during the year.

(b) Use of judgments and estimates

- Preparation of the condensed consolidated interim financial information in accordance with IAS 34 "interim financial reporting" requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
- In preparing these condensed consolidated interim financial information, 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 consolidated financial statements as at and for the year ended December 31, 2016.
- Management believes that its estimates and underlying assumptions are reasonable and adequate.

**JORDAN DECAPOLIS PROPERTIES COMPANY
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(c) Basis of condensed consolidated interim financial information consolidation

- The condensed consolidated interim financial information comprise of the condensed consolidated interim financial information of Jordan Decapolis Properties Company (the "Parent Company") and its subsidiaries together referred to (the "Group"), which subject to its control. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The condensed interim financial information of the subsidiaries are included in the condensed consolidated interim financial information from the date on which controls commences until the date on which control ceases.
- Condensed consolidated interim financial information are prepared for the subsidiaries to the same financial year of the parent company and using the same accounting policies adopted by the parent company.

The Company owns the following subsidiaries as of June 30, 2017:

Company name	Main activity	Ownership Percentage		Actual Ownership Percentage	
		2017	2016	2017	2016
Ahyaa Amman for Real Estate Rehabilitation and Development Company and its subsidiaries:	Tourism Investment	62,89%	62,89%	62,89%	62,89%
- Ahyaa Amman for Hotel Investments Company	Tourism Investment	100%	100%	62,89%	62,89%
- Ahyaa Al-Asimah for Tourism Investments Company	Tourism Investment	100%	100%	62,89%	62,89%
- Ahyaa Al-Asimah for Real Estate Investments Company	Properties Investment	100%	100%	62,89%	62,89%
- Ahyaa Al-Asimah for Specialized Investments Company	Tourism Investment	100%	100%	62,89%	62,89%
Jordan Dubai Properties Company for Lands Development	Property	100%	100%	100%	100%
Al-Niser International Investment Group	Property	100%	100%	100%	100%
Jordan Eye for Tourism Resorts Company and its subsidiaries:	Tourism Investment	100%	100%	100%	100%
- Aman Jordan Decapolis for Tourism Investments Company	Tourism Investment	100%	100%	100%	100%
- Muniah for Specialized Resorts Company*	Tourism Investment	74%	74%	74%	74%
- Jordan Dubai Specialized Resorts Company	Tourism Investment	73%	73%	73%	73%
- South of The Dead Sea Development for Specialized Resorts Company	Tourism Investment	70%	70%	51,1%	51,1%

* As described in Note (9), the Board of Directors of Muniah for Specialized Resorts Company decided in thier meeting held on March 29, 2016 to liquidate the company, accordingly the Company's assets and liabilities were re-classified as discontinued operations in accordance with IFRS 5.

The operations' result of the subsidiaries are consolidated in the consolidated Profit or Loss and other comprehensive income statement as of the date of its acquisition and this is the date that the actual transmission of the company's control on the subsidiary.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The investor obtain control over the investee when the investor is exposure, or rights, to variable returns to the investor from its involvement with the investee and the ability of the investor to use power over the investee to affect the amount of the investee and its returns.

Thus, the principle of control sets out the following three elements of control:

- 1- Power of the investor over the investee;
 - 2- Exposure, or rights, to variable returns or the investor from its involvement with the investee; and
 - 3- The ability of the investor to use power over the investee to affect the amount of the investee and its returns.
- The Parent Company should reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three above mentioned elements.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

Any gain on bargain purchases is recognized in the statement of profit or loss and other comprehensive income. Extra transactions costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally recognized in consolidated statement of profit or loss and other comprehensive income.

Any contingent consideration payable is measured at fair value at the acquisition date if the contingent consideration was classified as equity. As a result, any transactions are treated through equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in consolidated statement of profit or loss and other comprehensive income.

Non-controlling interest are measured at their proportionate share of the acquirer's identifiable net assets at the acquisition date.

On loss of control, the parent-subsidiary relationship ceases to exist. The parent no longer controls the subsidiary's individual assets and liabilities and other elements of owners' equity related to the subsidiary and eliminated from the consolidated financial statements.

Gain or loss associated with the loss of control attributable to the former controlling interest are recognized in the consolidated profit or loss and other comprehensive income.

Balances, transactions and unrealized profits and expenses resulted from transactions within the group are eliminated when preparing these consolidated financial statement.

On loss of control, the parent-subsidiary relationship ceases to exist. The parent no longer controls the subsidiary's individual assets and liabilities. Therefore, the parent company:

- 1- Derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position.
- 2- Recognizes any investment retained in the former subsidiary at its fair value when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant IFRSs.
- 3- Recognizes the gain or loss associated with the non-controlling interest.

Consolidated financial statements are prepared for the subsidiaries to the same financial year of the parent company and using the same accounting policies adopted by the parent company. If one subsidiary use accounting policies other than those adopted in the consolidated financial statements for similar transactions and events in similar circumstances, appropriate adjustments are made to that Group subsidiaries' financial statements, in preparing the consolidated financial statements to ensure conformity with the International Financial Reporting Standards.

Non-controlling interest are measured at their proportionate share of the acquirer's identifiable net assets at the acquisition date.

Balances, transactions and unrealized profits and expenses resulted from transactions within the group are eliminated when preparing these condensed consolidated interim financial information.

**JORDAN DECAPOLIS PROPERTIES COMPANY
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3) Financial risk management and capital management

The Company is generally exposed to the financial risks of credit risk, liquidity risk, market risk and capital management risk. In general, the Company's financial risk management objectives and policies are similar to those disclosed in the consolidated financial statements and the Group's annual report for the year ended December 31, 2016.

The Group did not have any change in capital management during the current interim period and the Group is not subject to any external capital requirements.

Information about the assumptions made in measuring fair values disclosed in Note (15).

4) Seasonality Events

- The measurement and recognition considerations applied in the consolidated financial statements as of December 31, 2016 have been accounted for, moreover, the Company did not have transactions effected by seasonality events during the year.

5) Significant Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial information for the six months ended June 30, 2017 are the same as those applied by the Group in its consolidated financial statements for the year ended December 31, 2016, except for the following International Financial Reporting Standards effective from January 1, 2017:

- Amendments to IAS 7.
- Annual improvements to the International Financial Reporting Standards for the 2014-2016 cycles.
- Amendments to IAS 12 Recognition of deferred tax assets for unrealized losses.

The adoption of these new standards does not have a material impact on the condensed consolidated interim financial information and its explanatory notes.

IFRS not effective yet with early application permitted:

- IFRS 9 Financial Instruments. (Effective 1 January 2018).
- IFRS 15 Revenue from Customer Contracts. (Effective 1 January 2018).
- IFRS 16 Leases. (Effective 1 January 2019).

6) Property and equipment

The additions on property and equipment during the period ended June 30, 2017 amounted to JOD 413, while The depreciation expense for the period ended June 30, 2017 amounted to JOD 24,535 (June 30, 2016: JOD 26,175).

7) Projects under construction

This item represents the cost of studies, design and construction of a tourist resort in the Dead Sea area and commercial complex in Al-Abdali project development area.

The total expected cost remaining to complete the projects amounted to JOD 4,498,490 as of June 30, 2017.

The Groups has capitalized on the projects under construction interest expenses amounted to JOD 170,394 during the six months ended June 30, 2017.

Al-Abdali project under construction is first degree mortgaged for the interest of Arab bank against a bank loan amounted to JOD 5,000,000 for the purpose of financing the completion cost of Al-Abdali project commercial complex as described in Note (12).

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AMMAN – JORDAN**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

8) Cash and cash equivalents

<i>Jordanian Dinar</i>	As of June 30, 2017	As of December 31, 2016
Cash and balances at banks	1,203,766	1,484,025
Cash on hand	4,534	4,253
	<u>1,208,300</u>	<u>1,488,278</u>

9) Discontinued Operations

Muniah for Specialized Resorts Company (Subsidiary Company) Board Of Directors decided during in its meeting held on March 29, 2016 to liquidate the company, accordingly the Company's assets and liabilities have been re-classified as discontinued operations in accordance with IFRS 5, the company's' liquidator was appointed in the company's' extraordinary meeting held on April 6, 2016.

The Group still did not completed the legal liquidation procedures for the company until the condensed consolidated interim financial information date.

10) Treasury Shares

This item represent the cost of 214,871 of parent company shares purchased by Ahya'a Amman for Real Estate Rehabilitation and Development Company and Al-Niser International Investment Group (subsidiaries) as of June 30, 2017 and December 31, 2016.

11) Balances and transactions with related parties

(11-1) Due from related parties

<i>Jordanian Dinar</i>	As of June 30, 2017	As of December 31, 2016
Madaeen Alshourooq for Real Estate Development and investment Company (Associate company)	532,000	602,000
	<u>532,000</u>	<u>602,000</u>

Other receivables – within other debit balances caption:

<i>Jordanian Dinar</i>	As of June 30, 2017	As of December 31, 2016
Shareholders' receivables	134,207	134,207
The association owners of AQARCO building accounts receivable	109,762	173,237
	<u>243,969</u>	<u>307,444</u>

(11-2) Transactions with related parties

<i>Jordanian Dinar</i>	Nature of transactions	For the six months ended June 30,	
		2017	2016
Properties Management fees - The association owners of AQARCO building	Properties and projects Management fees	41,580	40,953
The company's' share from operating expenses –AQARCO building	Expenses	61,575	74,294

The parent company (Jordan Decapolis Properties) owns 47% from AQARCO commercial center, which is managed by the elected association.

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(11-3) Salaries and benefits of higher management

Short-term Salaries, bonuses and transportation of the Executive Management and members of Board of Directors amounted to JOD 18,000 for the period ended June 30, 2017 (for the period ended June 30, 2016: JOD 18,000).

12) Bank loans due installments

On May 30, 2013 Jordan Dubai Properties Company for Lands Development Private Shareholding (Subsidiary Company) signed a declining loan agreement with Arab bank amounted to JOD 5,000,000 to finance the completion cost of the commercial building located in Al-Abdali projects area in Amman, Part of the loan was withdrawn during 2014. The loan is to be repaid in 6 equal annual installments each amounting to JOD 833 K the first installment will fall due after 24 months from the agreement date and bears interest of 8.375%.

During 2015, the company has amended the loan agreement with the bank to be repaid in 5 equal annual installments each amounting to JOD 917 K where the first installment is due 24 months after the agreement date with an annual interest rate of % 8.375

During 2016, the company has amended the loan agreement with the bank to be repaid in 4 equal installments each amounting to JOD 917 K for which first installment to be started from June 30, 2017, in addition to 3 equal installments each amounting to JOD 917 K for which first installment to be started from November 30, 2017 until final settlement at an annual interest rate of % 8.5

The company didn't pay the due installment as of June 30, 2017, were as per the signed loan agreement appendix between the company and the bank states that if any installment is due but not paid on its due date then the bank has the right to consider the remaining loan installments, its associated interest and commissions and related expenses due and to be paid immediately as one payment, accordingly bank loans has been completely re-classified as current liabilities.

The loan has been granted against the mortgage of Jordan Dubai Properties Company for Lands Development Al-Abdali project for the interest of the Arab bank as a guarantee.

The group has mortgaged part of its investment properties against granted loans, the group has settled all the related due installments for Arab bank which were in the interest of Ahya'a Amman for Real Estate Rehabilitation and Development Company (Subsidiary company), but the procedures related to the mortgage release wasn't completed up to the date of this condensed consolidated interim financial information.

13) Income tax

Income tax expense is recognized based on the management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period.

The effective income tax rate for the group during the year is zero due to the group realized losses.

The company reached to a final clearance with the Income and sales tax department up to the year-end 2014, and submitted its income tax return for the year 2016 and no final clearance obtained up to the date of these condensed interim consolidated financial information.

The company did not recognize deferred tax assets related to the accumulated losses till the period ended June 30, 2017 due to the high level of uncertainty from achieving tax income in the near future.

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14) CONTINGENT LIABILITIES

As of the date of these condensed consolidated interim financial information the group may face a probable contingent liabilities presented in bank guarantees amounted to JOD 19,825 (December 31, 2016: JOD 136,825) against cash margins amounted to JOD 19,825 (December 31, 2016: JOD 31,525).

15) Financial risk management

Market risk

Market risk arises from financial assets at fair value through other comprehensive income that is held to meet the partially unfunded portion of the Group's liabilities as well as investments at fair value through statement of profit or loss and other comprehensive income. The group's management monitors the debt and securities portfolio in its market-based investment portfolio. Material investments are managed in the portfolio on an individual basis and the Risk Management Committee approves all purchase and sale decisions.

- Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Prices quoted in active markets for similar instruments or through the use of valuation model that includes inputs that can be traced to markets, these inputs good be defend directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Jordanian Dinar

	Book Value	Fair Value		
		Level 1	Level 2	Level 3
<u>June 30, 2017</u>				
Accounts receivable	386,916	-	386,916	-
Other debit balances	370,283	-	370,283	-
Due from related party	532,000	-	532,000	-
Accounts payable	(668,356)	-	(668,356)	-
Other credit balances	(799,833)	-	(799,833)	-
Cash and cash equivalents	1,208,300	-	1,208,300	-
Financial assets at fair value through other comprehensive income*	3,503,711	-	-	3,503,711
Loans	3,671,319	-	3,671,319	-
<u>December 31, 2016</u>				
Accounts receivable	381,391	-	381,391	-
Other debit balances	262,256	-	262,256	-
Due from related party	602,000	-	602,000	-
Accounts payable	(681,184)	-	(681,184)	-
Other credit balances	(744,087)	-	(744,087)	-
Cash and cash equivalents	1,488,278	-	1,488,278	-
Financial assets at fair value through other comprehensive income*	3,503,711	-	-	3,503,711
Loans	3,671,319	-	3,671,319	-

*** Fair Value Based On Level 3**

This item represents investment in Saraya Al Aqaba for Real Estate Development Company; this investment was made during the year 2008 and still measured at acquisition cost.

* Management believes that the carrying amount of these financial assets approximate their fair value. There were no transfers between level 1 and level 2.