



الأردن  
ديكابولس للأموال

الافتتاح  
بمجلس  
المدراء  
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أشارتنا : أ ع - م ث / ١٦٠ / ٢٠١٨  
التاريخ : ٥ ، آب ٢٠١٨

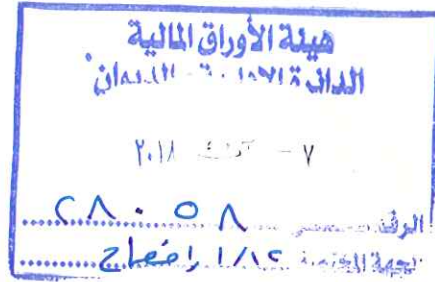
السادة هيئة الأوراق المالية المحترمين ،  
تحية طيبة وبعد،

نرفق طيه البيانات المالية الموحدة والمراجعة من مدققي الحسابات باللغة الانجليزية كما هي بتاريخ  
٢٠١٨/٦/٣٠.

شاكرين لكم حسن تعاونكم ،

وتفضلوا بقبول فائق الاحترام ،

نائب رئيس مجلس الإدارة  
المدير العام  
وليد الجمل



**JORDAN DECAPOLIS PROPERTIES COMPANY  
AND ITS SUBSIDIARIES (THE GROUP)  
(PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL  
INFORMATION FOR THE SIX MONTHS  
ENDED JUNE 30, 2018  
TOGETHER WITH THE INDEPENDENT AUDITOR'S  
REPORT ON THE REVIEW OF THE CONDENSED  
CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**JORDAN DECAPOLIS PROPERTIES COMPANY  
AND ITS SUBSIDIARIES (THE GROUP)  
(PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN**

**FOR THE SIX MONTHS ENDED JUNE 30, 2018**

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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 Limited Company)  
Amman – Jordan**

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Jordan Decapolis Properties Company - Public Shareholding Limited Company - and its subsidiaries ("the Group")** as at June 30, 2018 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**

1. Non-current assets held for sale with an amount of JOD 33,327,309 and its related liabilities with an amount of JOD 29,457,128 as disclosed in note (9) are attributable to Muniah for Specialized Tourism Company (Dibbin Area Project), which is currently under voluntarily liquidation. We have not been provided with 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 necessary adjustments are required to the accompanying condensed consolidated interim financial information related to this matter.
2. We have not been provided with some of the Group's Bank confirmations with a total debit balance of JOD 12 and a total credit balance of JOD 1 as of June 30, 2018 and as of December 31, 2017, also we were unable to obtain sufficient and appropriate review evidence through alternative review procedures related to these Bank balances and other related accounts, accordingly, we were unable to determine whether any necessary adjustments are required to the accompanying condensed consolidated interim financial information related to this matter.
3. Investment in associate caption represents the Group's share in Madaen Al Shorouq Investment and Real Estate Development Company by 30.03%, where the investment balance amounted to JOD 4,462,268 as of June 30, 2018 in addition to a due account receivable balance (note 11) amounted to JOD 502,000 as of June 30, 2018, we have not been provided with the audited financial statements of the associate Company as of December 31, 2017 and reviewed interim financial information for the period ended June 30, 2018 and related impairment study, knowing that the unaudited financial statements for this Company indicates an impairment by the amount of JOD 1,1 million, accordingly we were unable to determine whether any necessary adjustments are required to the accompanying condensed consolidated interim financial information.





4. Projects Under Construction caption of the financial statements includes capitalized loan interest on Al-Abdali project amounted to JOD 214,564, which was capitalized during the period instead being recorded on 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 to JOD 1,301,862 as of June 30, 2018. The International Financial Reporting Standards state that once the work on projects in progress is ceased, interest expense related to financing the projects should not be capitalized as part of its cost. This led to a reduction in the losses for the period by the amount of JOD 214,564, the accumulated losses reduced by the amount of JOD 1,301,862 and an 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, knowing that part of the loan installments are due during the year 2017 and the Group did not pay the due installments or make any re-scheduling for the due amounts. Therefore, we were unable to determine if the Company could keep the project. 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, liquidity availability and settlement of the loan mentioned above.
5. Investment properties caption includes investments in lands and properties related to the Group, the management has not provided us with a recent and comprehensive study for the evaluation of part of these lands and properties with a net book value of JOD 3.3 million and JOD 3.4 million as of June 30, 2018 and as of December 31, 2017, respectively, to ensure whether there is any impairment in its value knowing that impairment indications exists for a part of lands and properties with a net book value of JOD 5 million, according to the information given we have not been able to obtain assurance on whether any impairment provisions should be recorded on the value of these lands and properties, fair value adjustments and related goodwill if any. Accordingly, we were unable to determine whether any necessary adjustments are required to the accompanying condensed consolidated interim financial information.
6. Financial assets at fair value through other comprehensive income represents shares investment in Saraya Aqaba for Real Estate Development Company amounted to JOD 3,503,711 as of June 30, 2018 and December 31, 2017. The audited financial statements of Saraya Aqaba for Real Estate Development Company which has been provided to us as of December 31, 2017 shows a negative change in the fair value of this investment amounted to JOD 2,176,008, the Group has not recorded this change in other comprehensive income which is not in accordance with International Financial Reporting Standards.


#### **Qualified Conclusion**

Based on our review and except for the effects and possible 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, 2018 is not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

#### **Other Matter**

Al-Nisr International Investment Group Company and Ehyaa Amman for Properties Rehabilitation and Development Company (Subsidiaries) owns 214,871 shares in Jordan Decapolis Properties Company (Parent Company) amounted to JD 273,458 as of June 30, 2018 which is not in compliance with article No (14) from Jordan Securities Commission instructions "The subsidiary and associates are prohibited from owning shares in the parent company"

**Kawasmy & Partners**  
**KPMG**

  
Hatem Kawasmy  
License No. (656)

Amman – Jordan  
July 31, 2018



**JORDAN DECAPOLIS PROPERTIES COMPANY  
AND ITS SUBSIDIARIES (THE GROUP)  
(PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION  
(REVIEWD NOT AUDITED)**

<i>Jordanian Dinar</i>		<b>As of June 30, 2018 (Reviewed not audited)</b>	<b>As of December 31, 2017 (Audited)</b>
	<b>Note</b>		
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	6	70,812	89,717
Lands under development and Projects under constructions	7	32,453,108	32,232,073
Investment properties		22,307,112	22,438,044
Intangible assets		2,318,485	2,318,485
Investment in associate		4,462,268	4,481,262
Financial assets at fair value through other comprehensive income		3,503,711	3,503,711
<b>Total non-current assets</b>		<b>65,115,496</b>	<b>65,063,292</b>
<b>Current assets</b>			
Accounts receivable		316,648	264,032
Other debit balances		263,566	200,100
Due from related parties	11	502,000	532,000
Cash and cash equivalents	8	965,078	1,075,616
Non-current assets held for sale	9	33,327,309	33,327,309
<b>Total current assets</b>		<b>35,374,601</b>	<b>35,399,057</b>
<b>Total assets</b>		<b>100,490,097</b>	<b>100,462,349</b>
<b>Shareholders' equity</b>			
<b>Equity attributable to the Company equity holders</b>			
Paid-up capital	1	46,967,755	46,967,755
Statutory reserve		1,050,834	1,050,834
Treasury shares	10	(273,458)	(273,458)
Accumulated losses		(2,010,637)	(1,780,024)
<b>Net equity attributable to the Company equity holders</b>		<b>45,734,494</b>	<b>45,965,107</b>
Non-controlling interests		19,460,052	19,472,704
<b>Net shareholders' equity</b>		<b>65,194,546</b>	<b>65,437,811</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable		642,039	675,769
Other credit balances		1,376,780	1,096,383
Due loans installments	12	3,671,319	3,671,319
Deferred revenues		148,285	123,939
Liabilities associated with non-current assets held for sale	9	29,457,128	29,457,128
<b>Total current liabilities</b>		<b>35,295,551</b>	<b>35,024,538</b>
<b>Total liabilities</b>		<b>35,295,551</b>	<b>35,024,538</b>
<b>Total shareholders' equity and liabilities</b>		<b>100,490,097</b>	<b>100,462,349</b>

The accompanying notes on pages from (7) to (17) are integral parts of these condensed consolidated interim financial information.  
The condensed consolidated interim financial information were approved by Board of Directors on July 30, 2018.

Chairman of the BOD

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 March 31,		For the six months ended June 30,	
	2018	2017	2018	2017
Revenues from properties lease	82,492	81,890	171,217	165,189
Revenues from properties sales	-	-	143,208	-
Properties and projects management Revenues	19,578	20,790	38,941	41,580
	<u>102,070</u>	<u>102,680</u>	<u>353,366</u>	<u>206,769</u>
Properties operating expenses	(119,484)	(133,839)	(273,403)	(290,743)
Cost of properties sold	-	-	(25,672)	-
Properties and projects management cost	(22,378)	(21,233)	(42,893)	(41,464)
<b>Net profit (loss) from operating activities</b>	<b>(39,792)</b>	<b>(52,392)</b>	<b>11,398</b>	<b>(125,438)</b>
Other revenues	2,019	108,164	5,070	109,717
Administrative expenses	(111,137)	(115,696)	(228,880)	(224,300)
Depreciation expense	(9,461)	(11,828)	(19,292)	(24,536)
Group's share from associate company losses	(8,564)	(8,962)	(18,994)	(20,563)
Interest income	7,688	8,361	14,736	16,116
<b>Loss for the period</b>	<b>(159,247)</b>	<b>(72,353)</b>	<b>(235,962)</b>	<b>(269,004)</b>
<b>Discontinued operations</b>				
Non-current assets held for sale and its related liabilities	(7,303)	-	(7,303)	-
<b>Net loss for the period</b>	<b>(166,550)</b>	<b>(72,353)</b>	<b>(243,265)</b>	<b>(269,004)</b>
Other comprehensive income items	-	-	-	-
<b>Total comprehensive losses for the period</b>	<b>(166,550)</b>	<b>(72,353)</b>	<b>(243,265)</b>	<b>(269,004)</b>
<b>Attributable to:</b>				
Shareholders' of the Company	(164,363)	(67,460)	(230,613)	(246,453)
Non-controlling interests	(2,187)	(4,893)	(12,652)	(22,551)
	<u>(166,550)</u>	<u>(72,353)</u>	<u>(243,265)</u>	<u>(269,004)</u>
<b>Basic and diluted period loss per share attributable to the group shareholder's</b>	<b>(0.004)</b>	<b>(0.002)</b>	<b>(0.005)</b>	<b>(0.006)</b>

The accompanying notes on pages from (7) to (17) are integral parts of these condensed consolidated interim financial information.  
The condensed consolidated interim financial information were approved by Board of Directors on July 30, 2018.

Chairman of the BOD

General Manager

Financial Manager

**JORDAN DECAPOLIS PROPERTIES COMPANY  
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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (REVIEWD NOT AUDITED)**

<i>Jordanian Dinar</i>	Paid up Capital	Statutory Reserve	Treasury stocks	Accumulated losses	Total	Non- controlling interests	Total shareholders' equity
<b>For the six months ended June 30, 2018</b>							
Balance at January 1, 2018	46,967,755	1,050,834	(273,458)	(1,780,024)	45,965,107	19,472,704	65,437,811
Loss for the period	-	-	-	(230,613)	(230,613)	(12,652)	(243,265)
<b>Balance at June 30, 2018</b>	<b>46,967,755</b>	<b>1,050,834</b>	<b>(273,458)</b>	<b>(2,010,637)</b>	<b>45,734,494</b>	<b>19,460,052</b>	<b>65,194,546</b>
<b>For the six months ended June 30, 2017</b>							
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)
<b>Balance at June 30, 2017</b>	<b>46,967,755</b>	<b>1,050,170</b>	<b>(273,458)</b>	<b>(1,316,799)</b>	<b>46,427,668</b>	<b>19,561,771</b>	<b>65,989,439</b>

The accompanying notes on pages from (7) to (17) are integral parts of these condensed consolidated interim financial information.  
The condensed consolidated interim financial information were approved by Board of Directors on July 30, 2018.



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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
(REVIEWD NOT AUDITED)**

<i>Jordanian Dinar</i>	<i>Note</i>	<b>For the six months ended June 30,</b>	
		<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities:</b>			
Loss for the period before income tax		(243,265)	(269,004)
<b>Adjustments:</b>			
Depreciation		129,848	139,842
Group's share from associate Company loss		18,994	20,563
Interest income		(14,736)	(16,116)
		<b>(109,159)</b>	<b>(124,715)</b>
<b>Changes in:</b>			
Accounts receivable and other debit balances		(116,082)	(113,552)
Due from related party		30,000	70,000
Other credit balances		280,397	55,746
Deferred revenues		24,346	43,674
Accounts payable		(33,730)	(12,828)
<b>Net cash flows from (used in) operating activities</b>		<b>75,772</b>	<b>(81,675)</b>
<b>Cash flows from investing activities:</b>			
Acquisition of property and equipment		(387)	(413)
Project under constructions		(221,035)	(43,335)
Proceeds from sale of investment properties		24,473	-
Paid for investment properties		(4,097)	-
Interest received		14,736	16,116
<b>Net cash flows used in investing activities</b>		<b>(186,310)</b>	<b>(27,632)</b>
<b>Cash flows from Financing activities:</b>			
Bank loan		-	(277)
Bank interest		-	(170,394)
<b>Net cash flows used in Financing activities</b>		<b>-</b>	<b>(170,671)</b>
Net change in cash and cash equivalents		(110,538)	(279,978)
Cash and cash equivalents at the beginning of the period		1,075,616	1,488,278
<b>Cash and cash equivalents at the end of the period</b>	<b>8</b>	<b>965,078</b>	<b>1,208,300</b>

The accompanying notes on pages from (7) to (17) are integral parts of these condensed consolidated interim financial information.

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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, 2018:

Company name	Main activity	Ownership Percentage		Actual Ownership Percentage	
		2018	2017	2018	2017
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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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.



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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

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**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, 2017.

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, 2017 have been accounted for. Moreover, the Company did not have transactions effected by seasonality events during the year.

**5) SIGNIFICANT ACCOUNTING POLICIES**

Except for the matters that described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements for the six months ended June 30, 2018 are the same as those applied by the Group in its consolidated financial statements for the year ended December 31, 2017.

These changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending December 31, 2018.

A number of other new standards are effective from January 1, 2018 but have no material impact on the Group's interim condensed financial information as follows:

- International Financial Reporting Standard (9): Financial Instrument .
- International Financial Reporting Standard (15): Revenue from Contracts with Customers.
- IFRS (2): Classification and Measurements of Share-Based Payments.
- IAS (40): Clarify Transfers of Investment in Property.
- Annual Improvements to IFRSs 2014 –2016 Cycle – Amendments on IFRS (1) adopting IFRS for the first time and IAS (28) Investment in associate and joint venture (effective on Jan 1st 2018).
- IFRIC 22 Foreign Currency Transactions and Advance Consideration

**IFRS 9 Financial Instruments:**

The Group has adopted IFRS 9 as from January 1, 2018. IFRS (9) defines requirements for the recognition and measurement of both financial assets and liabilities and certain contracts for the purchase or sale of non financial items. This standard is considered as substitute of IAS No. (39) (Recognition and Measurement).

The details of the new significant accounting policies and the nature of the impact of changes in previous accounting policies are set out below:

**A- Classification and measurement of financial assets and financial liabilities**

IFRS 9 largely retains the existing requirements in IAS (39) for the classification and measurement of financial liabilities. However, but eliminates the classification of held-to-maturity financial assets, loans and receivables and available-for-sale assets that fall under the criteria of International Accounting standards No. (39).

**Financial Assets:**

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income – debt investment; fair value through other comprehensive income – equity investment; or fair value through profit or loss. The classification of financial assets under IFRS (9) is generally based on the business model in which a financial asset is managed and its contractual cash flow

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characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It's held within a business model whose objective is to hold assets to collect contractual cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it's held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Debt securities at fair value through other comprehensive income	These assets are subsequently measured at fair value and interest income is recognized using the effective interest rate method. Foreign exchange gains and losses are recognized in profit or loss and other net gains or losses are recognized in other comprehensive income. If the financial asset is sold, the cumulative gain or loss is transferred to the statement of comprehensive income.
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The adoption of IFRS (9) did not have any impact on the Group's consolidated financial statements with respect to financial assets.

**Financial liabilities:**

The adoption of IFRS (9) has no material impact on the Group's accounting policies relating to financial liabilities. IFRS (9) has maintained the requirements of IAS (39) regarding the classification of financial liabilities. IAS (39) requires recognition of the differences in the assessment of financial liabilities classified as financial liabilities at fair value through profit or loss in the consolidated statement of profit or loss, whereas IFRS (9) requires:

- Recognition of differences in valuation of financial liabilities classified as financial liabilities at fair value through statement of profit and loss as a result of changes in credit risk in the consolidated statement of comprehensive income.
- The remaining amount of fair value valuation differences is recognized in the consolidated statement of profit or loss:

The Group has not classified any financial liabilities in financial liabilities at fair value through profit or loss. Accordingly, there is no impact of applying IFRS (9) to the consolidated financial statements.



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**B- Impairment on financial assets:**

IFRS (9) replaces the "loss recognition" model adopted in IAS (39) to calculate the impairment of financial assets over "expected credit loss" model, which requires the use of estimates and judgments to estimate economic factors. The model will be applied to financial assets - debt instruments classified at amortized cost or at fair value through other comprehensive income but not to investments in equity instruments. Where credit losses are recognized in accordance with IFRS (9), which is earlier than IAS (39).

Under IFRS (9), impairment loss are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date.
- Lifetime ECLs: These ECLs result from all possible default events over the expected life of a financial instrument.

The Group measures impairment allowances equal to expected credit losses within 12 months if these assets are classified as Tier 1 and have the following characteristics:

- Debt securities that are determined to have low credit risk at the reporting date.
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The expected impairment of the life of the financial instrument to maturity is calculated in the event of a significant increase in credit risk, which requires the conversion of the financial instrument from level 1 to level 2, or if the financial instrument is applied to specific situations within the Standard, Within the second level directly.

If the financial instrument is impaired or there is objective evidence of impairment as a result of a loss or default after initial recognition with a negative impact on the future cash flow, the financial instrument is transferred to the third level. The expected credit loss model requires recognition of the expected loss over the life of the asset debt instruments are very similar to the requirements of IAS 39.

When determining whether the credit risk of financial assets has increased significantly since initial recognition and in estimating the expected credit loss, the Group relies on reasonable and supportive information available and relevant, including quantitative and qualitative information and analysis of this information based on the Group's past experience and credit study, The Group assumes that the credit risk of the financial asset has increased substantially if it is more than 30 days past due or the credit rating of the customer has decreased by two levels.

The Group considers financial assets to be impaired when:

- The borrower likely be unable to pay its credit obligations to the Group without recourse to the procedures for using the collateral held against such obligations (if any).
- If more than, 90 days have elapsed on maturity of financial assets.

The expected credit loss calculation mechanism depends on the (probability of default), which is calculated according to the credit risk and future economic factors, (loss given default), which depends on the value of the existing collateral, the (exposure at default), The expected credit loss is discounted at the effective interest rate of the financial asset.

At each financial period, the Group evaluates the credit rating of financial assets at amortized cost and debt securities at fair value through other consolidated statement of comprehensive income. The credit rating of financial assets is considered to be impaired when one or more events that have a negative impact on the estimated future cash flows of the financial asset occur.



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Provisions loss for financial assets measured at amortized cost are deducted from the total carrying amount of the financial asset. For debt securities at fair value through other comprehensive income, the provision for impairment is recognized in statement of other comprehensive income and is not deducted from the carrying amount of the financial asset. The losses of other financial assets are presented under 'Financing expenses' in the same manner of disclosure used in accordance with IAS (39). Such disclosure is not included in the consolidated statement of profit or loss and other consolidated statement of comprehensive income based on material considerations.

**Impact of the new impairment model**

There is no significant impact for applying IFRS 9 on the condensed consolidated interim financial statements for the group .

**6) PROPERTY AND EQUIPMENT**

The additions on property and equipment during the period ended June 30, 2018 amounted to JD 387 (December 31, 2017: JD 760), while the depreciation expense for the period ended June 30, 2018 amounted to JD 19,292 (June 30, 2017: JD 24,536).

**7) LANDS UNDER DEVELOPMENT AND PROJECTS UNDER CONSTRUCTION**

- Lands under development represents the cost of land located in the Dead Sea area owned by Dead Sea Specialized Resorts Company for the purpose of establishing tourism projects, as well as land within the Abdali development area owned by Jordan Dubai Land Development Company (Subsidiary Company).
- Projects under Construction includes cost of studies, design and construction of a tourist resort in the Dead Sea area and a commercial complex in Abdali development area.
- With regard to the Dead Sea Project (Phase I), there is no agreement to start the first stage during the coming year and there is no obligation on the Company for any party.
- The projects of Ahayaa Amman was completed during the year 2017.
- During the six months ended June 30, 2018, the Group capitalized interest of JD 214,564 to the projects under construction.
- The land and the Al Abdali Business Complex have been mortgaged in return for granting the Group a bank loan for financing the project cost.

**8) CASH AND CASH EQUIVALENTS**

<i>Jordanian Dinar</i>	<b>As of June 30, 2018</b>	<b>As of December 31, 2017</b>
Cash at banks	959,237	1,068,958
Cash on hand	5,841	6,658
	<b>965,078</b>	<b>1,075,616</b>

**9) DISCONTINUED OPERATIONS**

The Board of Directors of Muniah for Specialized Resorts Company (subsidiary Company) decided on its meeting held on March 29, 2016 to liquidate the Company. However the Board of Directors of the Group decided to approve the liquidation and accordingly the subsidiary was 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 complete the legal liquidation procedures for the company until the condensed consolidated interim financial information date.

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The General Assembly of Ahya'a Al Asima for Tourism Investments decided at its extraordinary meeting held on June 30, 2018 to liquidate the company voluntarily liquidation. The legal procedures have not yet been completed and the Group has not completed the legal procedures to liquidate the company until the date of preparing this interim condensed consolidated financial information.

The General Assembly of Ahya'a Al Asima for Real- Estate Investments decided at its extraordinary meeting held on June 30, 2018 to liquidate the company voluntarily liquidation. The legal procedures have not yet been completed and the Group has not completed the legal procedures to liquidate the company until the date of preparing this interim condensed consolidated financial information.

The General Assembly of Ahya'a Al Asima for Specialized Investments decided at its extraordinary meeting held on June 30, 2018 to liquidate the company voluntarily liquidation. The legal procedures have not yet been completed and the Group has not completed the legal procedures to liquidate the company until the date of preparing this interim condensed consolidated financial information.

**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, 2018 and December 31, 2017.

**11) BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

Related parties represent the parent company, ultimate parent company, branches, group companies and companies, which they are principal owners and key management personnel of the Company. The Company's management approves pricing policies and terms of these transactions.

**(11-1) Due from related parties**

<i>Jordanian Dinar</i>	<b>As of June 30, 2018</b>	<b>As of December 31, 2017</b>
Madaeen Alshourooq for Real Estate Development and investment Company (Associate company)	502,000	532,000
	<b>502,000</b>	<b>532,000</b>
<b>Other receivables</b>		
<i>Jordanian Dinar</i>	<b>As of June 30, 2018</b>	<b>As of December 31, 2017</b>
Shareholders' receivables	134,207	134,207
Account Receivable - Owners Association of ACARCO Commercial Center	69,401	100,687
	<b>203,608</b>	<b>234,894</b>
Allowance for Shareholder's Receivables	(134,207)	(134,207)
	<b>69,401</b>	<b>100,687</b>



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**(11-2) Transactions with related parties**

<i>Jordanian Dinar</i>	<u>Nature of transactions</u>	<u>For the six months ended June 30,</u>	
		<u>2018</u>	<u>2017</u>
Properties Management revenue - The association owners of AQARCO building	Properties and projects Management fees	38,941	41,580
Company's' share from operating expenses – AQARCO building	Expenses	62,150	61,575

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

**(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 JD 35,100 for the period ended June 30, 2018 (for the period ended June 30, 2017: JD 18,000).

**12) DUE LOANS INSTALLMENTS**

On May 30, 2013 Jordan Dubai Properties Company for Lands Development Private Shareholding (Subsidiary Company) has signed a declining loan agreement with Arab bank amounted to JOD 5,000,000 to finance and complete 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 amounted to JOD 833 Thousand, the first installment will due after 24 months from signing the agreement date, this loan bear interest rate of 8.375%.

During 2015, the Company has amended the loan agreement with the bank to be repaid in 5 equal annual installments each amounted to JOD 917 thousands where the first installment is due after 24 months of the signing the agreement 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 amounted to JOD 917 thousands for which first installment due on June 30, 2017, in addition to 3 equal installments each amounting to JOD 917 thousands 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 during 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 due with its associated interest and commissions and related expenses 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 pledged as a mortgage 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 statement.



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**13) INCOME TAX**

Income tax expense recognized based on the management's estimate of the expected annual weighted average income tax rate of the group for the financial year, which applied to the profit before tax for the period.

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

The Group received a final clearance from the Income and Sales Tax Department until the end of 2013 for Jordan Dubai Properties for Land Development Company, final clearance from the Income and Sales Tax Department until the end of 2014 for Jordan Decapolis Properties Company, final clearance from the Income and Sales Tax Department until the end of 2015 for Ahya'a Amman for Real Estate Rehabilitation and Development Company and Jordan Dubai for Specialized Resort Company. Final clearance from the Income and Sales Tax Department until the end of 2016 for Ahya'a Al Asima for Specialized Investments Company, Jordan Eye for Tourism Resorts, South of the Dead Sea Development for Specialized Resorts Company, and Aman Jordan Decapolis for Tourism Investments Company. And it has submitted the self-assessment until 2017 but the Income and Sales Tax Department has not reviewed it until the date of the interim condensed consolidated financial information.

The company did not recognize deferred tax assets related to the accumulated losses for the period ended June 30, 2018 due to the high level of uncertainty from achieving tax income in the near future.

**14) CONTINGENT LIABILITIES**

The Group has at the date of the interim condensed consolidated financial information the following potential liabilities:

	<b>As of December 31,</b>	
	<b>2017</b>	<b>2017</b>
<i>Jordanian Dinar</i>		
Bank Guarantee	13,000	19,825
Less: Cash margin	(13,000)	(19,825)
	<u>-</u>	<u>-</u>

**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).

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<i>Jordanian Dinar</i>	<b>Book Value</b>	<b>Fair Value</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b><u>June 30, 2018</u></b>				
Financial assets at fair value through other comprehensive income*	3,503,711	-	-	-
Accounts receivable	316,648	-	-	-
Other debit balances	263,566	-	-	-
Due from related party	502,000	-	-	-
Cash and cash equivalents	965,078	965,078	-	-
Accounts payable	(642,039)	-	-	-
Other credit balances	(1,376,780)	-	-	-
Loans	(3,671,319)	(3,671,319)	-	-
<b><u>December 31, 2017</u></b>				
Financial assets at fair value through other comprehensive income*	3,503,711	-	-	-
Accounts receivable	264,032	-	-	-
Other debit balances	200,100	-	-	-
Due from related party	532,000	-	-	-
Cash and cash equivalents	1,075,616	1,075,616	-	-
Accounts payable	(675,769)	-	-	-
Other credit balances	(1,096,383)	-	-	-
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.

**16) COMPARATIVE FIGURES**

The comparative figures represent the Condensed Consolidated Interim Statement of financial position as of December 31, 2017, in addition to Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income, Condensed Consolidated Interim Statement of Cash Flows and Condensed Consolidated Interim Statement of Changes in Shareholders' Equity for the six month ended June 30, 2017.