

شركة أمواج العقارية م.ع.م.

للاستيفاء

م.ع.م. يورصة عمان

م.ع.م. (ك.م.م.)

المدير العام

Number: A/2019/5/51

Date: 31/10/2019

To: Jordan Securities Commission
Amman Stock Exchange

11/10/19

SUBJECT: Disclosure of Preliminary Results Report for Amwaj Properties

Attached the preliminary results report for Amwaj Properties P.L.C.as of 30/09/2019.

Kindly accept our high appreciation and respect,,,

Omar Abdullatif
Finance & Admin Manager



Copy:-

- * Jordan Securities Commission
- * Amman Stock Exchange



Amwaj Properties Company

Public Shareholding Company

Condensed Interim Consolidated Financial Statements (Unaudited)

30 September 2019

Amwaj Properties Company
Public Shareholding Company

	<u>Pages</u>
- Report on review of the condensed interim consolidated financial statements	2
- Interim consolidated statement of financial position	3
- Interim consolidated statement of comprehensive income	4
- Interim consolidated statement of changes in equity	5
- Interim consolidated statement of cash flows	6
- Notes to the condensed interim consolidated financial statements	7 - 8



Report on Review of the Condensed Interim Consolidated Financial Statements

**To The Board of Directors
Amwaj Properties Company
Public Shareholding Company
Amman - Jordan**

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of **Amwaj Properties Company**, comprising the interim consolidated statement of financial position as at 30 September 2019 and the related interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the nine-months period then ended and the notes about condensed interim consolidated financial statements. Management is responsible for the preparation and presentation of this interim consolidated financial statement in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim consolidated financial statement based on our review.

Scope of Review

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

Basis of Qualified Conclusion

No estimate has been made by the management for expected credit losses relating to the impaired accounts receivable.

Qualified Conclusion

Based on our review, with the exception of the matter described in the basis of qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements as at 30 September 2019 are not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

Other Matters

The consolidated financial statements as at 31 December 2018 where audited by another certified public accountant who issued a qualified opinion as at 21 March 2019 based on the following, the company did not calculate and record the expected credit losses provision related to the accounts receivable, did not record a provision against any obligation that may arise from the Jordanian Customs Department case, the presence of differences between bank confirmations and company's records and lastly recording prior years non-deductible tax expense in 2018 expenses.

30 October 2019
Amman - Jordan



Arab Professionals
Ibrahim Hammoudeh
License No. (606)

Amwaj Properties Company
Public Shareholding Company
Interim consolidated statement of financial position as at 30 September 2019
(In Jordanian Dinar)

	30 September 2019 (Unaudited)	31 December 2018 (Audited)
Assets		
Non – current assets		
Investment properties	83,255,106	84,485,013
Investment in associates	97,582	97,582
Property and equipment	14,149	12,946
Checks under collection - long term	95,250	31,770
Total non – current assets	83,462,087	84,627,311
Current assets		
Accounts receivable	2,804,734	3,057,780
Checks under collection - short term	1,081,137	1,355,937
Amounts due from related parties	58,134	37,271
Other assets	300,857	311,470
Cash and cash equivalents	376,036	240,925
Total current assets	4,620,898	5,003,383
Total assets	88,082,985	89,630,694
Equity and Liabilities		
Equity		
Paid – in capital	30,000,000	30,000,000
Shares discount	(4,242,055)	(4,242,055)
Accumulated losses	(9,004,893)	(8,152,491)
Net Equity	16,753,052	17,605,454
Non - controlling interest	10,569,440	11,049,495
Total equity	27,322,492	28,654,949
Liabilities		
Non – current liabilities		
Credit facilities – long term	52,280,213	50,696,664
Deferred checks – long term	310,464	780,920
Total non - current liabilities	55,590,677	51,477,584
Current liabilities		
Credit facilities – short term	2,800,000	4,113,078
Deferred revenues	2,274,389	2,573,608
Accounts payable	1,130,871	1,133,035
Deferred checks – short term	766,590	875,327
Amounts due to related parties	-	230,070
Other liabilities	1,197,966	573,043
Total current liabilities	8,169,816	9,498,161
Total liabilities	60,760,493	60,975,745
Total equity and liabilities	88,082,985	89,630,694

"The accompanying notes from (1) to (4) are an integral part of these condensed interim consolidated financial statements and read with review report"

Amwaj Properties Company
Public Shareholding Company
Interim consolidated statement of comprehensive income
For the Nine Months ended at 30 September 2019 (Unaudited)
(In Jordanian Dinar)

	For the three months ended		For the nine months ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
Revenues	1,755,426	1,931,646	4,853,951	5,173,999
Operating expenses	(1,233,066)	(1,816,607)	(3,334,520)	(3,646,643)
Gross Profit	522,360	115,039	1,519,431	1,527,356
Administrative and marketing expenses	(176,521)	(65,512)	(535,923)	(532,132)
Finance expense	(721,823)	(839,614)	(2,370,528)	(2,545,838)
Other revenues	19,199	27,476	54,563	94,180
Total comprehensive loss for the period	(356,785)	(762,611)	(1,332,457)	(1,456,434)
Attributable to :				
Shareholders of the company	(231,198)	(494,175)	(852,402)	(966,508)
Non - controlling interest	(125,587)	(268,436)	(480,055)	(489,926)
	(356,785)	(762,611)	(1,332,457)	(1,456,434)
Basic and diluted losses per share for the period	(0.008)	(0.016)	(0.028)	(0.032)

"The accompanying notes from (1) to (4) are an integral part of these condensed interim consolidated financial statements and read with review report"

Amwaj Properties Company
Public Shareholding Company
Interim consolidated statement of changes in equity For the Nine Months ended at 30 September 2019 (Unaudited)
(In Jordanian Dinar)

	Paid - in capital	Shares discount	Accumulated losses	Net equity	Non - controlling interest	Total equity
Balance at 1 January 2019	30,000,000	(4,242,055)	(8,152,491)	17,605,454	11,049,495	28,654,949
Total comprehensive loss for the period	-	-	(852,402)	(852,402)	(480,055)	(1,332,457)
Balance at 30 September 2019	30,000,000	(4,242,055)	(9,004,893)	16,753,052	10,569,440	27,322,492
Balance at 1 January 2018	30,000,000	(4,242,055)	(7,074,303)	18,683,642	11,653,707	30,337,349
Total comprehensive loss for the period	-	-	(966,508)	(966,508)	(489,926)	(1,456,434)
Balance at 30 September 2018	30,000,000	(4,242,055)	(8,040,811)	17,717,134	11,163,781	28,880,915

“The accompanying notes from (1) to (4) are an integral part of these condensed interim consolidated financial statements and read with review report”

Amwaj Properties Company
Public Shareholding Company
Interim consolidated statement of cash flows
For the Nine Months ended at 30 September 2019 (Unaudited)

(In Jordanian Dinar)

	30 September 2019	30 September 2018
Operating activities		
Loss for the period	(1,332,457)	(1,456,434)
Depreciation	1,347,174	1,361,035
Loss from sale of property and equipment	-	1,148
Changes in working capital		
Accounts receivables	253,046	(687,090)
Other assets	10,613	(48,385)
Amounts due from / to related parties	(250,933)	485,697
Checks under collection	211,320	498,338
Accounts payable	(2,164)	70,086
Other liabilities	624,923	612,509
Deferred checks	(579,193)	(771,441)
Deferred revenues	(299,219)	66,401
Net cash flows (used in) from operating activities	<u>(16,890)</u>	<u>131,864</u>
Investing activities		
Investment properties	(113,443)	(56,418)
Property and equipment	(5,027)	6,163
Net cash flows used in investing activities	<u>(118,470)</u>	<u>(50,255)</u>
Financing activities		
Credit facilities	<u>270,471</u>	<u>(305,330)</u>
Changes in cash and cash equivalents	135,111	(223,721)
Cash and cash equivalents, beginning of year	<u>240,925</u>	<u>491,746</u>
Cash and cash equivalents, end of period	<u>376,036</u>	<u>268,025</u>

"The accompanying notes from (1) to (4) are an integral part of these condensed interim consolidated financial statements and read with review report"

Amwaj Properties Company
Public Shareholding Company
Notes to the condensed interim consolidated financial statements (Unaudited)
30 September 2019

(In Jordanian Dinar)

1 . General

Amwaj Properties Company PLC. was established on 26 February 2008 as a Public Shareholding Company and registered at the Ministry of Trade and Industry under number (449). The Company head office is in the Hashemite Kingdom of Jordan. The company's main objective is exercising all real estate investment activities.

The Company stocks are listed in Amman Stock Exchange – Jordan.

The accompanying condensed interim consolidated financial statements have been approved for issue by the Company's Board of Directors on 30 October 2019.

2 . Summary of Significant Accounting Policies

Basis of Preparation

The condensed interim Consolidated financial statements of the company have been prepared in accordance with IAS (34) "Interim Financial Reporting". They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2018.

The condensed interim consolidated financial statements have been prepared on a historical cost basis.

The condensed interim consolidated financial statements are presented in Jordanian Dinar which is the functional currency of the company.

The accounting policies are consistent with those used in the previous period, except for the adoption of new and amended standards effective as at the beginning of the year.

Basis of Consolidation

The condensed interim consolidated financial statements comprise of the financial statements of the parent and its subsidiary where the Company has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from their activities. The financial statements of the subsidiary are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiary are eliminated.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiary are consolidated in the statement of comprehensive income from the acquisition date which is the date on which control over subsidiary is transferred to the Company. The results of operation of the disposed subsidiary are consolidated in the consolidated statement of comprehensive income to the disposal date which is the date on which the Company loses control over the subsidiary.

The following is the information of the subsidiary that have been consolidated:

Company	Activity	Paid capital	Ownership	Registration country
Al- Yaqout Real Estate Co. L.L.C	Real Estate	45,940,000	63.12%	Jordan

The above mentioned company is registered and operates inside of the Hashemite Kingdom of Jordan.

Use of estimates

The preparation of the condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues, expenses and the provisions. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Management believes that the estimates are reasonable and are as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the interim consolidated statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

3 . Tax Status

- The Company has settled its tax liability with Income Tax Department up to the year ended 2014.
- The income tax returns for the years (2015 - 2018) has been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- No income tax provision have been taken on the Company's results of operations for the nine months ended at 30 September 2019 as the Company's expenses exceeded it's taxable revenues.

4 . Contingent liabilities

- The Company is contingently liable against banks letters of guarantees amounting to JOD (75,000) with a cash margin amounted to JOD (21,000).
- The Company is contingently liable against several law suits. Management and legal counsel believe that no provision is required against law suits as the Company has good chance of winning these cases.