AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
FINANCIAL STATEMENTS
31 DECEMBER 2020

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RSM Jordan
Amman 69 Queen Rania St.
P.O.BOX 963699
Amman 11196 Jordan
T +962 6 5673001
F +962 6 5677706
www.rsm.jo

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS
AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
AMMAN, JORDAN

Opinion

We have audited the financial statements of the AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS, which comprise the statement of financial position as of 31 December 2020, the statement of comprehensive income, statement of changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS as of 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements in Jordan that are relevant to our audit of the company financial statements, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Revenue Recognition

The total Operating revenue is JD 122 470 for the year ended 31 December 2020, Operating revenue is an important determent of the company's profitability in addition, there is a risk of improper rental property recognition, particularly with regard to revenue recognition at the cut-off date.

Scope of Audit to Address Risks

Our audit procedures included evaluating the company's revenue recognition accounting policies and assessing compliance with the policies in terms of international financial reporting standards (IFRSs). We tested the company's controls over rental property revenue recognition and key controls in the revenue cycle. We also selected a representative sample and tested premiums written at either side of the rental property revenue cutoff date.

Investment Properties and projects under construction

Investment properties and projects under construction represent 77.5% of the Company's' assets. Moreover, the Company should re-evaluate its properties and projects when preparing the financial statements to determine their fair value, in line with the requirements of the International Financial Reporting Standards. Accordingly, the Group relies on independent real estate experts to determine the fair value of those investments and projects and reflect any impairment in their value in the statement of comprehensive income for that period. Consequently, Investment Properties was significant to our audit.

Scope of Audit to Address Risks

The followed audit procedures Included understanding the procedures applied by the Company in evaluating investment properties and projects under construction , evaluating the reasonableness of the judgments based on the evaluation of three real estate experts, calculating the fair value of those average evaluations, recording any impairment in their value in the statement of comprehensive income, if any, and reviewing the appropriateness of the disclosure on the fair value of investment properties and projects.

Other Information

Management is responsible for the other information. The other information comprises of the information stated in the Annual Report and does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

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

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

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

Those charged with governance are responsible for overseeing the company financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.
Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company internal control

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Evaluate the overall presentation; structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit and we remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

The company maintains proper accounting records, duly organized and in line with the accompanying financial statements, and we recommend that they be approved by the General Assembly shareholders.

Amman – Jordan
20 February 2021

المجموعة المهنية العربية · محاسبون قانونيون · RSM Jordan · Certified Public Accountants

AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2020

Assets	Notes	2020 JD	2019 JD
Non - Current Assets			
Property, plant and equipment	4	78 041	80 704
Investments properties	5	599 964	178 040
Projects under construction	6	1 180 807	1 265 664
Financial assets at fair value through other comprehensive Income	7	214 734	227 619
Long-term checks under collection		6 250	21 250
Total Non - Current Assets		**2 079 796**	**1 773 277**
Current Assets			
Other debit balances	8	33 578	23 069
Apartments ready for sale	9	106 559	587 097
Accounts receivable	10	36 856	40 372
Short-term checks under collection		36 356	26 763
Cash and cash equivalents	11	3 573	4 931
Total Current Assets		**216 922**	**682 232**
Total Assets		**2 296 718**	**2 455 509**
Equity and Liabilities			
Equity	12		
Share capital		1 200 000	1 200 000
Statutory reserve		931 125	931 125
Voluntary reserve		70 866	70 866
Cumulative change in the fair value of financial assets		(111 418)	(114 210)
Accumulated losses		(31 730)	(383)
Total Equity		**2 058 843**	**2 087 398**
Liabilities			
Non - Current Liabilities			
Long-term loan	13	78 514	152 000
Total Non - Current Liabilities		**78 514**	**152 000**
Current Liabilities			
Short- term loan	13	59 486	100 000
Accounts payable		8 285	884
Unearned revenue		14 340	28 185
Other credit balances	14	77 250	87 042
Total Current Liabilities		**159 361**	**216 111**
Total Liabilities		**237 875**	**368 111**
Total Equity and Liabilities		**2 296 718**	**2 455 509**

The accompanying notes from 1 to 24 are an integral part of these financial statements

AL SHAMEKHA REAL ESTATE AND FINANCIAL INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
STATEMENT OF COMPREHENSIVE INCOME
31 DECEMBER 2020

	Notes	2020 JD	2019 JD
Operating revenue		122 470	111 798
Operating expenses	15	(29 276)	(12 041)
Losses from sales of apartments ready for sale	16	(20 007)	-
Gross profit		**73 187**	**99 757**
Administrative expenses	17	(90 177)	(123 417)
Administrative depreciation	4	(2 663)	(6 635)
Interest expenses		(94)	(270)
Loss for the year		**(19 747)**	**(30 565)**
Other comprehensive income items:			
Losses from sale of financial assets		(549)	(129)
Change in fair value for financial assets		(8 259)	(8 417)
Total other comprehensive loss for the year		**(28 555)**	**(39 111)**
Basic and diluted losses per share for the year	18	**JD (0.016)**	**JD (0.025)**

The accompanying notes from 1 to 24 are an integral part of these financial statements

	Share capital	Statutory reserve	Voluntary reserve	Cumulative change in fair value	Accumulated losses	Total
31 December 2018	**1 200 000**	**931 125**	**70 866**	**(106 035)**	**30 553**	**2 126 509**
Loss for the year	-	-	-	-	(30 565)	(30 565)
Change in fair value for financial assets	-	-	-	(8 417)	-	(8 417)
Loss from sale of financial assets	-	-	-	242	(371)	(129)
31 December 2019	**1 200 000**	**931 125**	**70 866**	**(114 210)**	**(383)**	**2 087 398**
Loss for the year	-	-	-	-	(19 747)	(19 747)
Change in fair value for financial assets	-	-	-	(8 259)	-	(8 259)
Loss from sale of financial assets	-	-	-	11 051	(11 600)	(549)
31 December 2020	**1 200 000**	**931 125**	**70 866**	**(111 418)**	**(31 730)**	**2 058 843**

The accompanying notes from 1 to 24 are an integral part of these financial statements

	Notes	2020 JD	2019 JD
Operating activities			
Loss for the year		(19 747)	(30 565)
Adjustments for:			
Depreciation	4,5	21 064	17 374
Financing expenses		94	270
Losses from sale apartments ready for sale		20 007	-
Changes in operating assets and liabilities			
Other debit balances		(10 509)	1 158
Accounts receivable		3 516	(7 457)
Checks under collection		5 407	3 948
Accounts payable		7 401	(172)
Unearned revenue		(13 845)	27 741
Other credit balances		(9 792)	4 700
Net cash from operating activities		**3 596**	**16 997**
Investing activities			
Projects under construction		84 857	(189 583)
Financial assets at fair value through other comprehensive Income		4 077	459
Purchase of Property, plant and equipment		-	(1 070)
Investment properties		(440 325)	(1 950)
Apartments ready for sale		460 531	(8 754)
Net cash from (used in) investing activities		**109 140**	**(200 898)**
Financing activities			
Loan		(114 000)	121 252
Paid financing expenses		(94)	(270)
Net cash (used in) from financing activities		**(114 094)**	**120 982**
Net change in cash and cash equivalents		**(1 358)**	**(62 919)**
Cash and cash equivalents at 1 January	11	4 931	67 850
Cash and cash equivalents at 31 December	11	**3 573**	**4 931**

The accompanying notes from 1 to 24 are an integral part of these financial statements

1. General

The company was established as a public shareholding company and registered with the Ministry of Industry and Trade under No. (87) On 16 June 1974 with an authorized and paid-up capital of 1,200,000 JD.

Objectives of the company:

- Investment in real estate and lands through purchase, sell, invest, develop, maintain, renovate and modernize real estate and lands.
- Construction of housing projects and reconstruction of all types and purposes thereof either residential, commercial, industrial and investment.
- Investment in all economic fields, whether financial, industrial, real estate, tourism, commercial, agricultural or service industries, through the establishment of investment projects

The financial statements were approved by the Board of Directors of the company at its meeting on 20 February 2021 and are subject to the approval of the General Assembly of Shareholders.

2. Changes In Accounting Policies

The accounting policies adopted in the preparation of the financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2019, except for the adoption of the following new standards effective as of 1 January 2020:

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

Amendments to IAS 1 and IAS 8: Definition of "Material"

The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to, the Company.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19 Related Rent Concessions amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. This relates to any reduction in lease payments which are originally due on or before 30 June 2021. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

The Company did not have any leases impacted by the amendment.

3. Significant accountant policies

Basis of preparation of the financial statement

The accompanying financial statements are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the Interpretations issued by the International Financial Reporting Interpretations Committee.

The financial statements are prepared in accordance with the historical cost principle, except for certain financial assets and financial liabilities which are stated at fair value as of the date of the financial statements.

The financial statements are presented in Jordanian Dinars, which is the functional currency of the Company.
The accounting policies adopted in the preparation of the financial statements are consistent with those adopted for the year ended 31 December 2019 except for what is stated in note (21) to the financial statements.

Property, plant and equipment

Property and equipment are stated at cost net of accumulated depreciation and any impairment loss in Its value, moreover Property and Equipment (except for land) are depreciated according to the straight- line method over the estimated useful lives when ready for use of these assets using the rates:

Furniture and decorations	%9
Devices and electrical equipment	%10-50
vehicles	%10
Air conditions	%10

When the carrying amount of property and equipment exceeds their recoverable value, assets are written down and impairment loss is recorded in the statement of income.
The useful lives of property and equipment are reviewed at the end of each year, in case the expected useful life is different from what was determined before the change in estimate is recorded in the following years being a change in estimates.
Property and equipment are derecognized when disposed or when there is no expected future benefit from their use

Projects under construction

Projects under construction are represented at cost and include the cost of construction and direct expenses. Projects are not depreciated under construction unless the related assets are ready for use or are ready for sale in order to recognize their cost in the statement of income on disposal.

Investment Properties

Investment properties are stated at cost net of accumulated depreciation and any impairment in their value and are disclosed their fair value. Furthermore, these Investments are depreciated based on their useful lives at an annual rate using the rates:

Buildings & warehouses	%2
Elevator	%10

Any Impairment In their value is taken to the statement of Income and other comprehensive Income, while operating revenues and expenses relating to this investment are recognized in the statement of Income and other comprehensive Income.

If the fair value of the Investments for which an Impairment provision has been taken in the previous periods increases, the previous recorded are recovered impairment losses at no more than their cost.

Financial Assets at Fair Value through Comprehensive Income

These financial assets represent the investments in equity instruments held for the long term.
These financial assets are recognized at fair value plus transaction costs at purchase date and are subsequently measured at fair value in the statement of comprehensive income and within owner’s equity including the changes in fair value resulting from translation of non-monetary assets stated in foreign currency. Gain or loss from the sale of these investments or part of them should be recognized in the statement of comprehensive income and within owner’s equity and the balance of the revaluation reserve for these assets should be transferred directly to the retained earnings not to the statement of income.

No impairment testing is required for these assets.
Dividends are recorded in the statement of income.

Recognition of Financial Assets Date

Purchases and sales of financial assets are recognized on the trading date (which is the date on which the Company commits itself to purchase or sell the asset).

Fair value

Fair value represents the closing market price (Assets Purchasing / Liabilities Selling) of financial assets and derivatives on the date of the financial statements.

In case declared market, prices do not exist active trading of some financial assets and derivatives is not available or the market is inactive fair value is estimated by one of several methods including the following:

• Comparison with the fair value of another financial asset with similar terms and conditions.
• Analysis of the present value of expected future cash flows for similar instruments.
• Adoption of the option pricing models.
• Evaluation of long-term assets and liabilities that bear no interest through discounting cash flows and amortizing premium / discount using the effective interest rate method within interest revenue / expense in the statement of comprehensive income.

The valuation methods aim to provide a fair value reflecting the market's expectations taking into consideration the market expected risks and expected benefits when the value of the financial assets.

When the financial assets fair value can't be reliably measured, they are stated at cost less any impairment

Assets held for sale

Assets held for sale are measured at the lower of cost and net realizable value.

Assets held for sale costs comprise all costs of conversion and other costs incurred to acquire the assets by the company.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Accounts Receivable

Accounts receivable are stated at net realizable value after deducting a provision for expected credit loss.

A provision for expected credit loss is booked when there is objective evidence that the Company will not be able to recover whole or part of the due amounts at the end of the year. When the Company collects previously written-off debts, it recognizes the collected amounts in other revenues in the statement of income and comprehensive Income. Furthermore, revenue and commission from expected credit loss are suspended and recognized as revenue upon collection.

Moreover, debts are written-off when they become uncollectible are derecognized

Cash and cash equivalents

Cash and cash equivalents comprise cash on, and balances at banks and deposits at banks maturing within three months, less bank overdrafts and restricted balances.

Loans

All term loans are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and bonds are subsequently measured at amortized cost using the effective interest method.

Trade payables and Accruals

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Provisions

Provisions are recognized when the company has an obligation as of the date of the financial statements as a result of past events, the obligation is likely to be settled, and a reliable estimate can be made of the amount of the obligation.

Offsetting

Financial assets and financial liabilities are offset, the net amount is presented in the statement of financial position only when there is a legal right to offset the recognized amounts, and the company intends to either settle them on a net basis or to realize the assets and settle the liabilities simultaneously

Revenue recognition and Expense realization
Revenues are recognized upon rendering services and issuance of invoice.
Dividends are recognized when the shareholders' right to receive payment is established.
Rental income is recognized on a straight-line basis over the lease term.
Other revenues are recognized on an accrual basis.

Foreign currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Jordanian Dinar', which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Income Taxes and national contribution
Income tax expenses represent current and deferred taxes for the year.

Income tax expense is measured based on taxable income. Taxable income differs from income reported in the financial statements, as the latter includes non-taxable revenue, tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses approved by tax authorities and items not accepted for tax purposes or subject to tax.

Taxes are calculated based on the enacted tax rates according to the prevailing laws, regulations and instructions of The Hashemite Kingdom of Jordan.

Deferred taxes are Taxes expected to be incurred or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and their respective tax basis. Deferred taxes are calculated based on the liability method, and according to the rates expected to be enacted when it is anticipated that the liability will be settled or when tax assets are recognized.

Accounting Estimates
Preparation of the financial statements and the application of the accounting policies require the Company's management to perform assessments and assumptions that affect the amounts of financial assets, financial liabilities, and fair value reserve and to disclose contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the fair value shown in the statement of other comprehensive income and owners' equity. In particular, this requires the Company's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the said assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

Management believes that the assessments adopted in the financial statements are reasonable. The details are as follows:

Management periodically reassesses the economic useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of these assets and the assessment of their useful economic lives expected in the future. Impairment loss is taken to the statement of comprehensive income.

Management frequently reviews financial assets stated at fair value or at cost to estimate any impairment in their value. The impairment amount is taken to the statement of comprehensive income for the year.

A provision is set for lawsuits raised against the Company. This provision is based to an adequate legal study prepared by the company's legal advisors. Moreover, the study highlights potential risks that the Company may encounter in the future. Such legal assessments are reviewed periodically.

4. Property, plant and equipment

	Land JD	Furniture JD	vehicles JD	electrical equipment's JD	Air conditions JD	Decoration JD	Total JD
Cost							
31 December 2019	65 415	5 214	39 250	12 520	4 415	41 609	168 423
Additions	-	-	-	-	-	-	-
31 December 2020	**65 415**	**5 214**	**39 250**	**12 520**	**4 415**	**41 609**	**168 423**
Accumulated Depreciation							
31 December 2019	-	5 214	39 250	10 234	4 414	28 607	87 719
Depreciation	-	-	-	583	-	2 080	2 663
31 December 2020	**-**	**5 214**	**39 250**	**10 817**	**4 414**	**30 687**	**90 382**
Book value							
31 December 2019	65 415	-	-	2 286	1	13 002	80 704
31 December 2020	**65 415**	-	-	**1 703**	**1**	**10 922**	**78 041**

5. Investment properties

	Land JD	Building JD	Residential Building* JD	Electrical Work JD	Elevator JD	Warehouses *** JD	Constructions and Buildings in Aqaba** JD	Total JD
Cost								
31 December 2019	48 916	534 511	-	4 859	14 973	-	281 846	885 105
Transferred	-	-	315 030	-	-	125 295	-	440 325
31 December 2020	**48 916**	**534 511**	**315 030**	**4 859**	**14 973**	**125 295**	**281 846**	**1 325 430**
Accumulated Depreciation								
31 December 2019	-	407 289	-	4 859	13 072	-	281 845	707 065
Depreciation	-	10 690	6 301	-	195	1 215	-	18 401
31 December 2020	**-**	**417 979**	**6 301**	**4 859**	**13 267**	**1 215**	**281 845**	**725 466**
Book value								
31 December 2019	48 916	127 222	-	-	1 901	-	1	178 040
31 December 2020	**48 916**	**116 532**	**308 729**	**-**	**1 706**	**124 080**	**1**	**599 964**

Property investments represent the cost of the commercial complex located on plot no. (1456) and the total area of the building is (3720 m2). The board of directors has taken a decision no. (43) in its session (105) and the decision of the general assemble at its annual meeting which was held on 15 March 2009 with the approval of the sale of warehouses and offices of the company's building located in Jabal Al-Hussein, where the total sales to this date was (711 m2).

* This item represents 6 ready to sell apartments that have been converted into investments properties for the purpose of leasing them.

**This item represents the cost of construction on a plot of land leased in Aqaba which entirely consumed according to the book value. Most of them were demolished by Aqaba Region Authority and have no future value. A lawsuit has been filed against Aqaba Economic Zone Authority. The case is still pending before the Court to claim compensation.

*** This item represents 2 ready to rent warehouses that have been converted into investments properties for the purpose of leasing them.

The fair value of the investment properties has been assessed by three real state evaluators equivalents an average amount 2 040 093JD as of 31 December 2020.

6. Projects under construction

	2020 JD	2019 JD
Plot of land No. (1168) *		
Cost of land	491 380	491 380
Construction works**	570 606	676 860
Works and expenses	79 793	77 165
Capitalized financing expenses	39 028	20 259
	1 180 807	**1 265 664**

*The plot of land No. (1168) with an area of (1854 m2) square meters.

A first-class mortgage was made for the Bank of Jordan in the amount of 360 000 JD on land plot no. (1168) of the city basin no. (33) Of the land of Amman against the loans granted by the Bank of Jordan and for the implementation of the project.

The fair value of the project has been assessed by three real state evaluators equivalents an average amount of1 386 240 JD as of 31 December 2020.

	2020 JD	2019 JD
Construction works**	676 860	507 536
additions	19 041	169 324
transferred	(125 295)	-
	570 606	**676 860**

7. Financial assets at fair value through other comprehensive Income

	2020 JD	2019 JD
Quoted financial assets	**214 734**	**227 619**

8. Other debit balances

	2020 JD	2019 JD
Accrued rents, services and interests	10 370	861
Refundable deposit	19 275	19 275
Prepaid expenses	750	750
Income tax deposit	2 183	2 183
Employees receivables	1 000	-
	33 578	**23 069**

9. Apartments ready for sale

The residential project on the plot no. (1169) with an area of (1164 m2), called the Jewel of Jabal Al Hussein project, has been completed. This project consists of 18 apartments and 7 of these apartments were sold during the year 2016, 2017 and three apartments were sold during 2020.

The fair value of the apartments has been assessed by three real state evaluators equivalents an average amount of 111 110 JD as of 31 December 2020.

10. Accounts receivable

	2020 JD	2019 JD
Accounts receivable	141 525	145 041
Lease holdings of the Aqaba Garage	19 484	19 484
Expected credit loss	(124 153)	(124 153)
	36 856	**40 372**

11. Cash and cash equivalents

	2020 JD	2019 JD
Cash at hands	60	1 000
Cash on banks	3 513	3 931
	3 573	**4 931**

12. Share Capital

The authorized capital and paid-in capital of the company is JD 1 200 000 divided into 1 200 000 shares at JD 1 per share.

Statutory reserve

Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals 25% of the Company's subscribed capital However, the Company may, with the approval of the General Assembly, continue to deduct this annual ratio until this reserve equals the subscribed capital of the Company in full. Such reserve is not available for dividends distribution. The General Authority may, after depletion the other reserves, decide at an extraordinary meeting to resolve the accumulated losses from the amounts collected in the Statutory reserve account, provided that they are rebuilt in accordance with the provisions of the Law.

Voluntary reserve

This account represents cumulative appropriations not exceeding %20of the annual profit before taxation per year. This reserve is available for distribution to shareholders

13. Loan

The company was granted a loan from the Bank of Jordan on 25 November 2018 amounted of 300 000 JD, until the liquidity is provided to finance working capital at an interest rate of 9% per annum and without an annual commission. Utilizing 252 000 JD shall be paid on 12 quarterly installments, the first installments accrued on 1 January 2020 until the full payment. Interest shall be paid monthly from the date of execution until full payment. As the second installment of the loan was postponed to the end of the loan repayment period as a result of the recent outbreak of the Corona virus (Covid-19).

Mortgages and guarantees against bank facilities and loans granted:

A first-class mortgage was made for the Bank of Jordan in the amount of 360 000 JD on land plot no. (1168) of the city basin no. (33) Of the land of Amman against the loans granted by the Bank of Jordan.

14. Other credit balances

	2020 JD	2019 JD
Shareholders deposits	41 439	42 871
Lease holdings of the Aqaba Garage	19 484	19 484
Accrued expenses	2 008	5 713
End of service indemnity provision	5 813	8 051
Compensation of cases provision	5 602	8 108
Paid Income tax provision	2 815	2 815
Income tax deposits	89	-
	77 250	**87 042**

15. Operating expenses

	2020 JD	2019 JD
Depreciation of investment properties	18 401	10 739
Common Services expenses residential building	5 098	-
Maintenance	5 777	1 302
	29 276	**12 041**

16. Losses from sales of apartments ready for sale

	2020 JD	2019 JD
Selling apartments revenues	145 500	-
Cost of apartments sold	(165 507)	-
	(20 007)	**-**

17. Administrative expenses

	2020 JD	2019 JD
Salaries, wages and other benefits	53 694	61 807
Board of Director's transportation allowances	3 600	21 600
Subscriptions and fees	13 495	16 203
Stationery and printing	1 689	1 840
Vehicle gas and maintenance	2 847	3 560
Advertising	1 215	1 378
Transportation	8	83
Hospitality	743	715
Postage, telecommunication, and internet	1 869	2 035
Electricity and water	2 067	2 896
Legal expenses	3 000	3 000
Audit fees	3 700	4 500
Legal fees	500	1 000
Others	1 750	2 800
	90 177	**123 417**

Executive administration benefits

	2020 JD	2019 JD
Salaries and other benefits	**28 980**	**31 730**

18. Basic and diluted loss per share for the year

	2020 JD	2019 JD
Loss for the year	(19 747)	(30 565)
Weighted average number of outstanding shares	1 200 000	1 200 000
	JD (0.016)	**JD (0.025)**

19. Income tax

No income tax provision has been calculated for the year ended 31 December 2020 due to increase in the deductible expenses on the taxable income.

The income tax rate in Jordan is 20% + 1% national contribution tax.

The tax return for the year 2019 has been submitted, however, the returns have not been reviewed by the Income and Sales Tax Department until the date of these financial statements.

The Company has reached to a final settlement with the Income and Sales Tax Department up to the end of the year 2018.

20. Fair Value of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and cash equivalents, checks under collection, accounts receivable and other debit balances.

Financial liabilities consist of accounts payable, loan, unearned revenue, and other credit balances.
The fair values of financial instruments are not materially different from their carrying values.

Credit Risk

Credit risk relates to the other party's inability to meet its contractual obligations leading to the incurrence of losses by the company. Moreover, the company adopts a policy of dealing with creditworthy parties in order to mitigate the financial losses arising from the Company's default on its liabilities.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.
The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company reputation.
The following are the contracted maturities of financial liabilities:

31 December 2020	**Short-term**	**Long-term**	**Total**
Loan	59 486	78 514	138 000
Shareholders deposits	41 439	-	41 439
Other credit balances	35 811	-	35 811
Accounts payable	8 285	-	8 285
Unearned revenue	14 340	-	14 340
	159 361	**78 514**	**237 875**

31 December 2019	**Short-term**	**Long-term**	**Total**
Loan	100 000	152 000	252 000
Shareholders deposits	42 871	-	42 871
Other credit balances	44 171	-	44 171
Accounts payable	884	-	884
Unearned revenue	28 185	-	28 185
	216 111	**152 000**	**368 111**

21. Capital Management

The primary objective of the Company’s capital management is to ensure that it maintains capital ratios in order to support it business and maximize shareholder value.
The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2019 and 2020.

Capital comprises share capital, Statutory reserve, voluntary reserve, fair value reserve and accumulated losses, and is measured at JD 2 058 843 as at 31 December 2020 (2019: JD 2 087 398).

22. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 - Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2023 with comparative figures required. Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by a right to defer settlement,
- the right to defer must exist at the end of the reporting period,
- that classification is unaffected by the likelihood,
- that an entity will exercise its deferral right,
- and that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

Reference to the Conceptual Framework -Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.
The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential `day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.
At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.
The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.
The amendments are not expected to have a material impact on the Company.

Property, Plant and Equipment: Proceeds before Intended Use Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

Onerous Contracts Costs of Fulfilling a Contract Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities.

General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Company.

IFRS 9 Financial Instruments Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company.

IBOR reform Phase 2

which will be effective on 1 January 2021, includes a number of reliefs and additional disclosures. The reliefs apply upon the transition of a financial instrument from an IBOR to a risk-free-rate (RFR).

Changes to the basis for determining contractual cash flows as a result of interest rate benchmark reform are required as a practical expedient to be treated as changes to a floating interest rate, provided that, for the financial instrument, the transition from the IBOR benchmark rate to RFR takes place on an economically equivalent basis.

IBOR reform Phase 2 provides temporary reliefs that allow the Company's hedging relationships to continue upon the replacement of an existing interest, rate benchmark with an RFR. The reliefs require the Company to amend hedge designations and hedge documentation. This includes redefining the hedged risk to reference an RFR, redefining the description of the hedging instrument and / or the hedged item to reference the RFR and amending the method for assessing hedge effectiveness. Updates to, the hedging documentation must be made by the end of the reporting period in which a replacement takes place. For the retrospective assessment of hedge effectiveness, the Company may elect on a hedge by hedge basis to reset the cumulative fair value change to zero. The Company may designate an interest rate as a non-contractually specified, hedged risk component of changes in the fair value or cash flows of a hedged item, provided the interest rate risk component is separately identifiable, e.g., it is an established benchmark that is widely used in the market to price loans and derivatives. For new RFRs that are not yet an established benchmark, relief is provided from this requirement provided the Company reasonably expects the RFR to become separately identifiable within 24 months. For hedges of groups of items, the Company is required to transfer to subgroups those instruments that reference RFRs. Any hedging relationships that prior to application of IBOR reform Phase 2, have been discontinued solely due to IBOR reform and meet the qualifying criteria for hedge accounting when IBOR reform Phase 2 is applied, must be reinstated upon initial application

23. Comparative figures

Some of the comparative figures for the year 2019 have been reclassified to correspond with the year ended 31 December 2020 presentation and it did not result in any change to the last year's operating results.

24. CORONAVIRUS IMPACT

The Coronavirus outbreak has impacted and caused significant disruption in the global economy and different business sectors along with restrictions and procedures implemented by governments the spread of this epidemic has been impact on Leasing and selling Investments properties in the company, and on the Company's financial statements as of 31 December 2020.