AL TAJAMOUAT FOR TOURISTIC PROJECTS COMPANY
(A PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN

FINANCIAL STATEMENTS FOR THE
YEAR ENDED DECEMBER 31, 2016

TOGETHER WITH THE INDEPENDENT
AUDITOR'S REPORT

AL TAJAMOUAT FOR TOURISTIC PROJECTS COMPANY
(A PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN

For the Year Ended December 31, 2016

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KPMG

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Independent Auditors' Report on the financial statements

To the General Assembly
Al Tajamouat for Touristic Projects Company
(A Public Shareholding Company)
Amman – Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Al Tajamouat for Touristic Projects Company** ("the Company"), which comprise the statement of financial position as at December 31, 2016, the statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

Key Audit Matters

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

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1- Investment Property

Description of Key Audit matter

The Company own investment property with carrying amounts of 133,445,029 as of December 31, 2016 which represents 90% of the Company's total assets. In accordance with the requirements of IFRS, the Company should disclose the fair value of these assets and measure any impairment in its value (if any), such matter require a significant judgment and estimates from the management to determine the fair value, as the Company exercise the judgment and estimates over the observable inputs used to determine the fair value/impairment including the valuation from real estate valuators and the discount of future cash flow. Accordingly, the determination of fair value/impairment of these assets by management is considered a key audit matter.

The accounting policies and critical judgments relative to investment property are summarized respectively in Notes 2, 3 and 6 to the financial statements.

How the Matter was Addressed in Our Audit

Our audit procedures includes the assessment of the Company's internal controls for the method used to determine the fair value of investment property and compare the fair value to the carrying amount for the purpose of identify impairment (if any), in addition to the assessment of the estimates used by management to determine the fair value/impairment over investment property. We have compared these estimates with the requirements of IFRS and discussed with management based on the available information.

Furthermore, our audit procedures include the assessment of the methodology used, the acceptability of the measurement models and the observable inputs to determine the fair value/impairment of the investment property. Review the relevancy of the key observable inputs used through the review of the discounted future cash flow, the valuations provided by the real states valuators and others, also we assessed the sufficiency of disclosures made by management over investment property.

2- Accounts Receivables and Cheques Under Collection

Description of Key Audit matter

The impairment loss for accounts receivables and cheques under collection is considered one of the matters that have an impact over the Company's results and require a significant judgment and estimates from management to determine the default and accordingly the existence of impairment. Following the requirements of IFRS, the management exercise the judgment and estimates over the observable inputs to determine the impairment including the date of default, the financial position of the customers and the position of the legal cases held against these customers. Accordingly, the accounts receivables and cheques under collection consider a key audit matter.

The Company had accounts receivables and cheques under collection against its customers in the amount of JD 5,126,113 and JD 1,209,885 respectively as of December 31, 2016, and the company recorded a provision for doubtful debts in the amount of JD 1,500,570 as of December 31, 2016.

The accounting policies and critical judgments relative to accounts receivables and cheques under collection are summarized respectively in Notes 2, 3 and 9 to the financial statements.

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How the Matter was Addressed in Our Audit

Our audit procedures includes the assessment of the Company's internal controls over the collection processes for receivables and cheques under collection; testing the receipt of cash after the year end, testing the sufficiency of the Company's provisions against receivables and cheques under collection and testing the position of the legal cases held by the Company by assessing the management's assumptions, taking account of externally available data on trade credit exposures and our own knowledge of recent bad debt experience. We have also considered the adequacy of the Company's disclosures about the degree of estimation involved in arriving at the provision and the disclosures over the movement of doubtful debts provision.

3- Legal Cases and Contingent Liabilities

Description of Key Audit matter

In the normal course of business, contingent liabilities may arise from legal cases held against the Company or from governmental fines. The amounts involved are potentially significant and the application of IFRS to determine the amount, if any, to be provided as a liability, require from management judgments and estimates, accordingly the determination of liabilities is considered a key audit matter.

The disclosures relative to legal and contingent liabilities are summarized respectively in Note 19 to the financial statements.

How the Matter was Addressed in Our Audit

Our audit procedures includes the assessment of the Company's internal controls to determine the liabilities and the review of correspondence with the regulatory parties and the Company's external legal consultants on all significant legal cases and discussions with the Company's external legal consultant when necessary. In addition, we obtained formal confirmations from the Company's external legal consultants for all significant litigation, analyzed correspondence with regulators, and monitored the procedures followed to obtain information from third parties. We also assessed the disclosures made by the Company.

Other Information

Management is responsible for the other information. The other information does not include the financial statements and our auditors' report on the financial statements.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We were not provided with the annual report of the group or any other information as it relates to this paragraph until the date of this report.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records. The accompanying financial statements are, in all material aspects, in agreement with the Company's accounting records, and we recommend that the Company's General Assembly approves these financial statements.

KPMG Kawasmy and Partners

Hatem Kawasmy
License no. (656)

Amman - Jordan
February 6, 2017

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Kawasmy & Partners Co.

AL TAJAMOUAT FOR TOURISTIC PROJECTS COPMANY
(A PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATMENT OF FINANCIAL POSITION

In Jordanian Dinar	Note	As of December 31, 2016	2015
Assets			
Non-Current Assets			
Property and equipment	5	43,124	55,424
Investment properties	6	133,445,029	141,785,386
Deferred tax assets	7	122,000	156,200
Total Non-Current Assets		**133,610,153**	**141,997,010**
Current Assets			
Assets held for sale	8	5,519,545	-
Receivables and cheques under collection	9	4,835,428	3,460,830
Other debit balances	10	2,037,757	2,232,738
Cash and cash equivalent	11	1,450,851	2,593,793
Total Current Assets		**13,843,581**	**8,287,361**
Total Assets		**147,453,734**	**150,284,371**
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Paid up capital	12	100,000,000	100,000,000
Share premium		-	200,714
Share discount		(7,000,000)	(7,000,000)
Statutory reserve	12	1,092,789	782,540
Retained earnings (accumulated losses)		2,042,117	(912,891)
Total Shareholders' Equity		**96,134,906**	**93,070,363**
Liabilities			
Non-Current Liabilities			
Syndicate loan-Long term	13	34,242,654	39,721,478
Unearned revenue – long term		705,675	1,790,636
Lessees refundable deposit		809,391	777,304
Total Non-Current Liabilities		**35,757,720**	**42,289,418**
Current Liabilities			
Syndicate loan-short term	13	5,478,824	5,478,824
Deferred cheques -short term		537,462	-
Payables and other credit balances	14	3,264,420	3,741,860
Unearned revenue – short term		6,182,391	5,613,497
Due to related parties	18	98,011	90,409
Total Current Liabilities		**15,561,108**	**14,924,590**
Total Liabilities		**51,318,828**	**57,214,008**
Total Shareholders' Equity and Liabilities		**147,453,734**	**150,284,371**

The companying notes from (10) to (27) are integral parts of these financial statements and should be read with them and with the independent auditor report.

Chairman of Board **Chief Executive Officer**

AL TAJAMOUAT FOR TOURISTIC PROJECTS COPMANY
(A PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In Jordanian Dinars	Note	For the year ended on December 31, 2016	2015
Lease revenue		16,036,757	17,205,248
Cost of revenue	15	(4,820,554)	(5,574,685)
Investment properties depreciation	6	(3,304,860)	(3,283,802)
Gross profit		**7,911,343**	**8,346,761**
Administrative expenses	16	(1,090,403)	(779,123)
Finance cost	13	(3,313,530)	(3,939,515)
Property and equipment depreciation	5	(17,908)	(29,922)
Provision for doubtful debts - net	9	(425,861)	(536,520)
Interest income		71	3,359
Other Income		38,776	6,025
Profit for the year before tax		**3,102,488**	**3,071,065**
Income tax for the year	7	(37,945)	(64,368)
Profit for the year		**3,064,543**	**3,006,697**
Other comprehensive income items		-	-
Total comprehensive income for the year		**3,064,543**	**3,006,697**
Basic and diluted earnings per share (Jordanian Dinars)	17	**0,031**	**0,030**

The accompanying notes from (10) to (27) are integral parts of these financial statements and should be read with them and with the independent auditor report

AL TAJAMOUAT FOR TOURISTIC PROJECTS COPMANY
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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In Jordanian Dinars	Paid up capital	Share premium**	Share discount	Statutory reserve	Retained earnings (accumulated losses)*	Total
For the Year Ended December 31, 2016						
Balance as at 1 January 2016	100,000,000	200,714	(7,000,000)	782,540	(912,891)	93,070,363
Transfer to statutory reserve	-	-	-	310,249	(310,249)	-
Total comprehensive income for the year	-	-	-	-	3,064,543	3,064,543
Transferred to the retained earnings**	-	(200,714)	-	-	200,714	-
Balance as at 31 December 2016	**100,000,000**	**-**	**(7,000,000)**	**1,092,789**	**2,042,117**	**96,134,906**
For the Year Ended December 31, 2015						
Balance as at 1 January 2015	100,000,000	200,714	(7,000,000)	475,433	(3,612,481)	90,063,666
Transfer to statutory reserve	-	-	-	307,107	(307,107)	-
Total comprehensive income for the year	-	-	-	-	3,006,697	3,006,697
Balance as at 31 December 2015	**100,000,000**	**200,714**	**(7,000,000)**	**782,540**	**(912,891)**	**93,070,363**

* Retained earnings includes deferred tax assets in the amount of JD 122,000 which restricted for use according to the instructions of Jordanian Security Exchange Commission.

** The General Assembly approved in their extraordinary meeting held on April 14, 2016 to amortize the accumulated losses as of December 31, 2015 by the share premium which was amounted to JOD 200,714.

The accompanying notes from (10) to (27) are integral parts of these financial statements and should be read with them and with the independent auditor report.

AL TAJAMOUAT FOR TOURISTIC PROJECTS COPMANY
(A PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF CASH FLOWS

		For the year ended December 31,	
In Jordanian Dinars	Note	2016	2015
Cash flows from operating activities			
Profit for the year before tax		3,102,488	3,071,065
Adjustment:			
Property and equipment depreciation	5	17,908	29,922
Investment properties depreciation	6	3,304,860	3,283,802
Finance cost		3,313,530	3,939,515
Provision for doubtful debts	9	425,861	536,520
Interest income		(71)	(3,359)
Cash flows from operating activities before changes in working capital		**10,164,576**	**10,857,465**
Changes in working capital:			
Restricted cash		143,425	400,691
Receivables and cheques under collections		(1,800,459)	(679,401)
Other debit balances		194,981	(150,834)
Deferred cheques		537,462	(603,025)
Lessees refundable deposits		32,087	(19,666)
Payables and other credit balances		(391,812)	(479,031)
Unearned revenue		(516,067)	3,097,591
Income tax paid		(3,745)	-
Net cash flows from operating activities		**8,360,448**	**12,423,790**
Cash flows from Investing Activities:			
Purchase of property and equipment	5	(5,608)	(6,194)
Purchase of Investment properties	6	(484,048)	(967,417)
Proceeds from returns of investment property	6	-	4,350
Interest received		71	3,359
Net cash flows (used in) investing activities		**(489,585)**	**(965,902)**
Cash flows from Financing Activities:			
Notes payable		-	(963,760)
Bank loans		(5,478,824)	(5,895,692)
Due to related parties		7,602	(5,418)
Interest paid		(3,399,158)	(3,347,494)
Net cash flows (used in) financing activities		**(8,870,380)**	**(10,212,364)**
Net (decrease) increase in cash and cash equivalents		(999,517)	1,245,524
Cash and cash equivalents at 1 January		2,436,146	1,190,622
Cash and cash equivalents at 31 December	11	**1,436,629**	**2,436,146**

The accompanying notes from (10) to (27) are integral parts of these financial statements and should be read with them and with the independent auditor report.

NOTES TO THE FINANCIAL STATEMENTS

1) GENERAL

AL-Tajamouat for Touristic Project Company was incorporated in 1983 as a public shareholding company under number (183). The Company increased its capital during the year 2010 by JD 15, 829,141 to become JD 75,000,000, and on August 15, 2011, the Company's general assembly resolved in its extraordinary meeting to increase its capital by JD 25,000,000 through a special subscription of shares to reach JD 100,000,000 with share discount of JD 7,000,000.

The main objective of the Company is the construction and operation of a commercial complex in Abdoun area under the name of TAJ Life Style Center.

The financial statements were authorized for issuance by the Board of Directors in its meeting held on February 6, 2017 and its remaining subject to the general assembly's approval.

2) BASIS OF PREPARATION

A. Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

B. Basis of measurement
The financial statements have been prepared on the historical cost basis except for financial assets and liabilities measured at amortized cost.

C. Functional and presentation currency
The financial statements are presented in Jordanian Dinar, which is the functional currency of the Company.

D. Use of Judgments and estimates
The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

In particular, information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is summarized as follows:

- Management periodically reassesses the economic useful lives of tangible assets based on the general condition of these assets and the expectation for their useful economic lives in the future.
- Management frequently reviews the lawsuits raised against the Company based on a legal study prepared by the Company's legal advisors. This study highlights potential risks that the company may incurred in the future.
- A provision for impairment on account receivables is taken on the basis and estimates approved by management in conformity with International Financial Reporting Standards (IFRS).
- Management estimated the recoverable amount of the other financial assets to determine whether there was any impairment in its value.
- Management periodically reviews the investment property to estimate any improvement in its value. Impairment loss is taken to the statement of profit or loss.
- Management estimates the provision for income tax in accordance with the prevailing laws and regulations.

NOTES TO THE FINANCIAL STATEMENTS

- **Fair value measurement :**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

1- In the principal market for the asset or liability, or
2- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The asset or liability measured at fair value might be either of the following:

A- A stand-alone asset or liability; or

B- a group of assets, a group of liabilities or a group of assets and liabilities (eg a cash generating unit or a business).

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Group Audit Committee.

Management believes that the assumptions and estimates are reasonable and sufficient.

3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these financial statements for the year ended December 31, 2016 are the same as those applied by the Company in its financial statements for the year ended December 31, 2015, except for the following International Financial Reporting Standards amendments and improvements that become effective after January 1, 2016:

New Currently Effective Requirements

Standards	Effective Date
Amendments to IFRS 10, IFRS 12, and IAS 28 Investment Entities: Applying the Consolidation Exception	January 1st, 2016
Amendments to IFRS 11, Accounting for Acquisition of Interests in Joint Operations	January 1st, 2016
Amendment to IAS 1 Disclosures Initiatives	January 1st, 2016
Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortization	January 1st, 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants	January 1st, 2016
Amendments to IAS 27 Separate Financial Statements	January 1st, 2016
Annual Improvements to IFRSs 2012- 2014 Cycle	January 1st, 2016
IFRS 14 Regulatory Deferral Accounts	January 1st, 2016

The application of these amended standards did not have a significant effect on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The following are the significant accounting policies adopted by the Company:

Property and Equipment

Recognition and measurement

- Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses (if any).
- Cost includes expenditures that are directly attributable to the acquisition of the property and equipment.
- When parts of an item of property and equipment have different useful lives, they are accounted for as separated items of property and equipment.
- Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within the statement of profit or loss and other comprehensive income.
- Property and equipment transferred from customers is initially measured at fair value at the date on which control is obtained.

Subsequent costs

- The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.
- Ongoing costs of repair and maintenance of property and equipment are expensed in the statement of profit or loss and other comprehensive income as incurred.

Depreciation

- Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in statement of profit or loss and other comprehensive income. Leased assets are depreciated over the shorter of the lease term and their useful lives.
- The estimated annual depreciation rates of property and equipment for the current and previous year are as follows:

	Annual Depreciation Rate%
Computer equipment	25
Furniture, fixtures and decorations	10
Vehicles	15

- Property and equipment useful lives are reviewed at the end of each year; and if the expected useful life differs from the previous estimate, the difference is booked in subsequent years as a change in accounting estimates.

Investment properties

Investment properties is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investments property is recognized initially at cost. Their fair values are disclosed in the notes of the financial statements, Investment properties are revaluated annually by independent real-estate experts based on market values, in an active market and the discounting of forecasted cash flow.

NOTES TO THE FINANCIAL STATEMENTS

- The estimated annual depreciation rates of investment property for the current and previous year are as follows:

	Annual Depreciation Rate%
Construction work	2
Electro-mechanical works	4
Outdoor works	7
Furniture and Fixtures	15

Impairment

Financial Assets

- A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired.
- A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.
- An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- Individually significant financial assets are tested for impairment on an individual basis.
- An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in the statement of profit or loss.

Non-Financial Assets

- The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.
- An impairment loss is recognized if the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount.
- Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.
- All impairment losses are recognized in the statement of profit or loss and other comprehensive income.

Receivables

Accounts receivable are stated at amortized cost less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

Revenues recognition

- Revenue recognition and expenses realization are recognized based on accrual basis.
- Lease income is recognized as revenue on straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease. Unrealized portion of advance payments on contracts recorded as unearned revenue.
- Interest income and expenses are recognized in profit or loss using the effective interest method. The effective interest method is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Loans

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

- Interest on long term loans are obtained for financing projects under construction is capitalized as part of the project's expenditures.

Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the statement of financial position only when there are legal rights to offset the recognized amounts, or assets are realized and liabilities settled simultaneously.

Finance cost

Land and projects finance costs are recorded as part of the project under construction until work on them is completed or stopped.

Income tax

- Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other / statement of profit or loss.

- Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

- Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the / reporting date.
- Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

- A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

- Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

- Current tax payable calculated using rate of 20% which is in accordance with prevailing income tax law in Jordan.

Foreign Currency Transactions

- Transactions in foreign currencies during the year are translated at exchange rates at the dates of the transactions.
- Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Jordanian Dinar at the exchange rate at that date.
- The foreign currency gain (loss) on monetary items is the difference between amortized cost in Jordanian Dinar at the beginning of the year, adjusted for effective interest rate and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.
- Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to Jordanian Dinar at the exchange rate at the date that the fair value was determined.
- Foreign currency differences arising on retranslation of foreign currencies to Jordanian Dinar are recognized in the statement of profit or loss and other comprehensive income.

Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less cost to sell. Any Impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

Operating Segment

The Company operates its activities in one major operating segment which is leasing activities, the services revenue are rendered inside Jordan.

4) FORTHCOMING REQUIREMENTS

The following new and revised IFRSs have been issued but are not effective yet, the Company has not applied the following new and revised IFRSs that are available for early application but are not effective yet:

New Standards

- International Financial Reporting Standards (9): Financial Instruments (effective on January 1st, 2018 except for Insurance Companies which will be effective on January 1st, 2021 with earlier application permitted).
- International Financial Reporting Standards (15): Revenue from Contracts with Customers (effective on January 1st, 2018 with earlier application permitted).
- International Financial Reporting Standards (16): Leases (effective on January 1st, 2019 with earlier application permitted).

NOTES TO THE FINANCIAL STATEMENTS

Amendments to Standards:

- IFRS (2): Classification and Measurements of Share-Based Payments (effective on January 1st, 2018 with earlier application permitted).
- IFRS (10) and IAS (28): Sale or Contribution of Assets between and Investor and its Associate or Joint Venture. (date to be determined).
- IAS (7): Disclosure Initiative (effective on January 1st, 2017 with earlier application permitted).
- IAS (12): Recognition of Deferred Tax Assets for Unrealized Losses (effective on January 1st, 2017 with earlier application permitted).
- IAS (40): Clarify Transfers or Property to, or from, Investment Property (effective on January 1st, 2018)
- Annual Improvements to IFRSs 2014 –2016 Cycle – Amendments to IFRS 12 disclosure of interest of other entities (effective on January 1st, 2017).
- Annual Improvements to IFRSs 2014 –2016 Cycle – Amendments to IFRS 1 First-Time Adoption of IFRSs and IAS 28 Investments in Associates and Joint Ventures (effective on January 1st, 2018)

The Company anticipates that each of the above standers and interpretations (amendments) will be adopted in the financial statements by its date mentioned above without having any material impact on the Company's financial statements.

5) PROPERTY AND EQUIPMENT

This item consist of the following:

In Jordanian Dinar 2016	Computer Equipment	Furniture, Fixture and Decorations	Vehicles	Total
Cost				
Balance at 1 January 2016	90,594	111,997	60,628	263,219
Additions	5,608	-	-	5,608
Balance at 31 December 2016	**96,202**	**111,997**	**60,628**	**268,827**
Accumulated depreciation				
Balance at 1 January 2016	79,264	76,521	52,010	207,795
Depreciation	7,400	6,624	3,884	17,908
Balance at 31 December 2016	**86,664**	**83,145**	**55,894**	**225,703**
2015				
Cost				
Balance at 1 January 2015	86,125	110,272	60,628	257,025
Additions	4,469	1,725	-	6,194
Balance at 31 December 2015	**90,594**	**111,997**	**60,628**	**263,219**
Accumulated depreciation				
Balance at 1 January 2015	60,653	69,445	47,775	177,873
Depreciation	18,611	7,076	4,235	29,922
Balance at 31 December 2015	**79,264**	**76,521**	**52,010**	**207,795**
Net book value at 31 December 2016	**9,538**	**28,852**	**4,734**	**43,124**
Net book value at 31 December 2015	**11,330**	**35,476**	**8,618**	**55,424**
Annual Depreciation Rates %	25	10	15	

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6) INVESTMENT PROPERTIES

This item consist of the following:

In Jordanian Dinar	Land	Construction Works	Electro-mechanical Works	Outdoor Works	Furniture and Fixtures	Total
2016						
Cost						
Balance at 1 January 2016	35,830,360	80,179,604	35,777,910	2,130,568	603,813	154,522,255
Additions	294,570	137,289	41,269	-	10,920	484,048
Transferred to assets held for sale*	(5,519,545)	-	-	-	-	(5,519,545)
Balance at 31 December 2016	**30,605,385**	**80,316,893**	**35,819,179**	**2,130,568**	**614,733**	**149,486,758**
Accumulated depreciation						
Balance at 1 January 2016	-	6,198,621	5,660,799	548,756	328,693	12,736,869
Depreciation	-	1,605,231	1,458,444	149,138	92,047	3,304,860
Balance at 31 December 2016	-	**7,803,852**	**7,119,243**	**697,894**	**420,740**	**16,041,729**
2015						
Cost						
Balance at 1 January 2015	35,830,360	79,393,865	35,655,522	2,081,713	597,728	153,559,188
Additions	-	785,739	122,388	53,205	6,085	967,417
Adjustments**	-	-	-	(4,350)	-	(4,350)
Balance at 31 December 2015	**35,830,360**	**80,179,604**	**35,777,910**	**2,130,568**	**603,813**	**154,522,255**
Accumulated depreciation						
Balance at 1 January 2015	-	4,607,222	4,206,748	400,509	238,588	9,453,067
Depreciation	-	1,591,399	1,454,051	148,247	90,105	3,283,802
Balance at 31 December 2015	-	**6,198,621**	**5,660,799**	**548,756**	**328,693**	**12,736,869**
Net book value at 31 December 2016	**30,605,385**	**72,513,041**	**28,699,936**	**1,432,674**	**193,993**	**133,445,029**
Net book value at 31 December 2015	**35,830,360**	**73,980,983**	**30,117,111**	**1,581,812**	**275,120**	**141,785,386**
Annual Depreciation Rate %	-	2	4	7	15	

- This item represents properties owned by Al- Tajmouat for Touristic Projects Company which includes the commercial complex's land site (Taj Life Style).
- The fair value of the investment properties amounts to JD 134 Million as at 31 December 2016 which is approximately equal to its book value. The fair value was estimated by the independent valuator through discounting the forecasted cash flows from Taj Life Style operations using the yield for property in Jordan.
- The investment properties are mortgaged against the syndicated loan as stated in (note 13) .

* During third quarter for the year 2016, part of the investments properties has been classified to assets held for sale as stated in Note (8).

** This item represents returns from the outdoor works during the year.

7) DEFERRED TAX ASSETS & INCOME TAX

a. The movement on the deferred tax assets for the year is as follows:

	For the year ended on December 31,	
In Jordanian Dinar	**2016**	**2015**
Beginning balance for the year	156,200	220,568
(Amortized) deferred tax assets	(34,200)	(158,897)
Adjustments on tax rates / deferred tax assets	-	94,529
Deferred tax assets	**122,000**	**156,200**

The deferred tax assets for the year ended December 31, 2016 was calculated on accumulated losses approved by Income and Sales Tax Department using effective tax rate at (20%) in accordance with the income tax law (34) for the year 2014 which become effective on January 1, 2015. The Company agreed to amortize these losses with the Income and Sales Tax Department over agreed annual balance up to the year 2022. Furthermore, the management expects to benefit from the deferred tax assets in the near future.

b. The Company obtained final clearance from the Income Tax Department till December 31, 2014. Moreover, the Company submitted its income tax returns for the year 2015. The management and its tax consultant believe that no taxable commitments will be imposed against the Company for the year ended December 31, 2016 due to the fact that there are accepted accumulated losses and paid property tax.

The following is the movement of income tax for the year:

	For the year ended on December 31,	
In Jordanian Dinar	**2016**	**2015**
Income tax expenses on prior years	3,745	-
Amortization of deferred tax assets	34,200	158,897
Deferred tax assets for the year	-	(94,529)
	37,945	**64,368**

c. The following is a summary of the reconciliation between accounting profit and taxable profit:

	For the year ended on December 31,	
In Jordanian Dinar	**2016**	**2015**
Accounting profit	3,102,488	3,071,065
Tax-exempt profit	(184,681)	(254,032)
Tax-unacceptable expenses	1,103,526	1,457,321
	4,021,333	**4,274,354**
Less: Tax Losses Carried Forward	-	(623,485)
Taxable Profit	**4,021,333**	**3,650,869**
Income tax rate	20%	20%
Income tax expense for the year	**804,266**	**730,173**
Less: Paid property tax	(804,266)	(730,173)
Income tax for the year	-	-

NOTES TO THE FINANCIAL STATEMENTS

d. During December 2013, the Company obtained final clearance from the Sales Tax Department till January 2012. Moreover, the Income and Sales Tax Department reviewed Sales Tax declarations up to the period September 2013, however, no final settlement has been reached yet as the Company object on certain amount. The management and its tax consultant believe that no taxable commitments will be imposed against the Company in this regards and the provisions booked are sufficient to meet tax obligations.

8) ASSETS HELD FOR SALE

The Company has reclassified the land located opposite to (Taj Life Style) which was previously classified as an investment property to assets held for sale with a carrying amount of JD 5,519,545 as a result of the Company's plan to sell this land. The fair value of land was estimated by real estate experts at a value of JD 8,899,450 as of December 31, 2016.

9) ACCOUNTS RECEIVABLE AND CHEQUES UNDER COLLECTION

This item consist of the following:

In Jordanian Dinar	As of December 31, 2016	2015
Accounts receivable*	5,126,113	3,384,976
Cheques under collection	1,209,885	1,483,278
Provision for doubtful debts **	(1,500,570)	(1,407,424)
	4,835,428	3,460,830

* This item includes receivables related to the acquired company in the amount of JD 224,672, these amounts were fully provided for.

** The movement of the provision for doubtful debts is as follows:

In Jordanian Dinar	For the year ended December 31, 2016	2015
Balance at 1 of January	1,407,424	965,583
Additions	439,542	536,520
Written off during the year	(332,715)	(94,679)
Recovered during the year	(13,681)	-
Balances at 31 December	1,500,570	1,407,424

The following is the receivables aging schedule at 31 December:

In Jordanian Dinar	2016	2015
Less than 90 days	1,524,202	1,008,354
Form 91 – 180 days	838,782	331,982
From 181 – 365 days	1,016,091	584,031
Above 365 days ***	1,747,038	1,460,609
	5,126,113	3,384,976

*** The management believes that they able to collect the uncovered part of these receivables.

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10) OTHER DEBIT BALANCES

This item consist of the following:

In Jordanian Dinar	As of December 31, 2016	2015
Advances paid to Income and Sales Tax Department	1,348,428	1,323,896
Prepaid expenses	21,850	22,869
Refundable deposits	249,021	249,403
Accrued Revenues	255,372	216,986
Staff receivables	4,452	8,384
Advances to consultants and suppliers	158,224	391,653
Others	410	19,547
	2,037,757	**2,232,738**

11) CASH AND CASH EQUIVALENT

This item consist of the following:

Jordanian Dinars	As of December 31, 2016	2015
Cash on hand and at banks	178,906	563,858
Checks under collection with three months maturity	1,257,723	1,872,288
Restricted cash *	14,222	157,647
	1,450,851	**2,593,793**

* This amount consists of cash receipts from the lessees of Taj Life Style in addition to amounts received for capital increase (if any) which were deposited in a guarantees account for the benefit of the syndicated loan and the related operating activities expenses of the project, complying with the syndicated loan agreement.

The cash and cash equivalents presented in the cash flow statement represent the following items presented in statement of financial position:

Jordanian Dinars	As of December 31, 2016	2015
Cash on hand and at banks	1,450,851	2,593,793
Less: restricted cash	(14,222)	(157,647)
	1,436,629	**2,436,146**

12) EQUITY

Paid-up capital

- The authorized capital of the Company is JD 100,000,000 as of December 31, 2016 and 2015.
- The authorized capital of the Company is JD 100,000,000 by year end, divided into 100,000,000 shares at a par value of JD 1 each.

Statutory reserve

As required by the Jordanian Companies Law, 10% of the profit before tax is to be transferred to statutory reserve. This reserve is not available for distribution to the shareholders.

13) SYNDICATED LOAN

This item consist of the following:

Jordanian Dinars	As of December 31, 2016	2015
Syndicated Loan - long term	34,242,654	39,721,478
Syndicated Loan - payable within one year	5,478,824	5,478,824
	39,721,478	**45,200,302**

The Company has signed a syndicated loan agreement led by The Housing Bank for Trade and Finance in January 18, 2010, amounted to JOD 40,000,000, during September 2011 the syndicate loan amount has been increased by JOD 20,000,000 to become JOD 60,000,000. The loan has been granted against mortgaging the mall land and its building that is located in Abdoun.

The collected interest rate on the syndicated loan equal to the weighted average prime lending rate of all lenders plus annual margin of 1%, such rate change several times last of which took place in November 2016 to be weighted average prime lending rate of all lenders minus 1.67% which equivalent to 6.9% and will reach to 7.57% in case the Company proceeds with the issuance of Sukuk.

The installments on the utilized balance of the syndicated loan is to be paid quarterly. The first installment related to the JD 40,000,000 loan should be paid after thirteen months from delivering the final project from the technical consultant and based on the preset conditions stated in the contract and, the final installment is due in eight years and six months from signing the agreement of the syndicated loan dated on January 18, 2010. Moreover, the first installment related to increase in the syndicated loan amounted to JD 20,000,000 is due after 26 months from delivering the final project from the technical consultant. During the second quarter of the year 2015, the loan has been rescheduled and the final installment become due on January 18, 2024.

The annual installment amount and due dates for the loans are as follows:

Year	*Jordanian Dinar*
2017	5,478,824
2018-2023	32,872,947
2024	1,369,707

14) PAYABLES AND OTHER CREDIT BALANCES

This item consist of the following:

Jordanian Dinars	As of December 31, 2016	2015
Trade payables	1,031,842	1,161,054
Accrued expenses	119,965	441,980
Accrued interest	506,393	592,021
Shareholders payables	66,673	66,673
Provision for contingent liabilities	1,445,647	1,444,349
Others	93,900	35,783
	3,264,420	**3,741,860**

15) COST OF REVENUE

This item consist of the following:

Jordanian Dinars	For the year ended December 31, 2016	2015
Salaries, wages and other benefits	470,628	465,958
Social security	61,587	55,038
Overtime	33,594	46,524
End of service indemnity	9,909	-
Medical insurance	12,271	11,975
Property taxes	1,526,391	1,521,505
Maintenance and repairs	372,424	460,290
Security services	354,552	393,181
Cleaning	421,482	490,904
Services and benefits	661,810	1,294,971
Marketing expenses	786,753	688,499
Property insurance	101,338	136,131
Others	7,815	9,709
	4,820,554	**5,574,685**

16) ADMINISTRATIVE EXPENSES

This item consist of the following:

Jordanian Dinars	For the year ended December 31, 2016	2015
Salaries, wages and other benefits	466,703	464,511
Social security	54,367	50,324
Overtime	4,818	5,690
Medical insurance	9,223	9,356
Professional, legal and management consulting fees	342,068	68,794
Vehicles expenses	5,725	7,213
Post and telephone	14,786	14,317
Stationary and printing	7,719	12,206
Advertising	5,078	2,900
Hospitality	23,282	23,061
Government fees	74,633	42,351
Travel and accommodation	18,966	13,330
Others	63,035	65,070
	1,090,403	**779,123**

17) BASIC AND DILUTED EARNINGS PER SHARE

The details of this item are as follows:

Jordanian Dinars	For the year ended December 31, 2016	2015
Profit for the year attributable to shareholders (JD)	3,064,543	3,006,697
Weighted average number of shares (share)	100,000,000	100,000,000
Basic and diluted earnings per share for the year (JD/Share)	**0,031**	**0,030**

18) RELATED PARTIES' BALANCES AND TRANSACTIONS

Related parties' balances and transactions represents balances and transactions with shareholders, companies of which they are principle owners, members of the board of directors, directors and key management personal. Pricing policies and terms of these transactions are approved by the Company's management.

18-1) Statement of Financial Position items:

Jordanian Dinars	Relationship	As of December 31, 2016	2015
Due to related parties:			
Al- Khair Bank	Parent Company	90,896	90,409
Al-Salam Company	Sister Company	7,115	-
		98,011	**90,409**

18-2) Salaries and Remunerations for Key Management

Short term salaries, remunerations and transportation paid to the Company higher executive management and board of directors for the year ended December 31, 2016 amounted to JD 132,000 (December 31, 2015: JD 132,000) .

19) CONTINNGENT LIABILITIES

a- The Company has contingent liabilities as of the date of the financial statements in the form of bank guarantees of JD 194,083 with cash margin of JD 32,467 (bank guarantees of JD 347,899 with cash margin of JD 32,849 as of 31 December 2015).

b- Lawsuits held against the Company in the amount of JD 582,381 in addition to other lawsuits with no value as of December 31, 2016. In the opinion of the management and its legal consultant, the recorded provisions in the financial statements are sufficient to meet any contingent liabilities.

c- The Company is contingently liable for governmental fines in case the Company did not develop the land they hold based on the arrangements with Greater Amman Municipality, taking into consideration that the Company obtain an exemption from these fines.

20) FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk
- Capital management

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

NOTES TO THE FINANCIAL STATEMENTS

Risk management framework

The management has overall responsibility for the establishment and oversight of Company's risk management framework.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

- **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables and cheques under collections.

The Company's financial assets which consist mainly of accounts receivable, cheques under collection, and cash and cash equivalents do not represent significant concentrations of credit risk in addition the debtors are spread widely among clients' classifications and their geographic areas.

- **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's reputation.

The Company's liquidity position as of the date of the financial statements is as follows:

	As of December 31,	
Jordanian Dinars	2016	2015
Current assets	13,843,581	8,287,361
Less: Current liabilities (net of unearned revenue)	(9,378,717)	(9,311,093)
Surplus (deficit) in working capital	4,464,864	(1,023,732)

The Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations through its operating future cash flows; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

NOTES TO THE FINANCIAL STATEMENTS

The following are the contracted maturities of financial liabilities:

Non-derivative financial liabilities:

Jordanian Dinar	Book Value	Contracted cash flows	Less than one year	More than one year
2016				
Syndicate loan	39,721,478	(39,721,478)	(5,478,824)	(34,242,654)
Lessees refundable deposit	809,391	(809,391)	-	(809,391)
Deferred cheques	537,462	(537,462)	(537,462)	-
Payables and other credit balances	3,264,420	(3,264,420)	(3,264,420)	-
Due to related parties	98,011	(98,011)	(98,011)	-
	44,430,762	**(44,430,762)**	**(9,378,717)**	**(35,052,045)**

Jordanian Dinar	Book Value	Contracted cash flows	Less than one year	More than one year
2015				
Syndicate loan	45,200,302	(45,200,302)	(5,478,824)	(39,721,478)
Lessees refundable deposit	777,304	(777,304)		(777,304)
Payables and other credit balances	3,741,860	(3,741,860)	(3,741,860)	-
Due to related parties	90,409	(90,409)	(90,409)	-
	49,809,875	**(49,809,875)**	**(9,311,093)**	**(40,498,782)**

- **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the Company's profit or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

- **Currency Risk**

The Company's major transactions are in Jordanian Dinar. Furthermore, its foreign currency transactions are limited to US Dollars. The Company's currency risk is related to changes in exchange rates applicable to settlements in foreign currencies. However, due to the fact that the Jordanian Dinar (the Company's functional currency) and the US Dollar are pegged, the Company's management believes that the foreign currency risk is immaterial.

- **Interest rate risk**

At the reporting date of financial statements the interest rate profile of the Company's interest-bearing financial instruments was as follows:

Jordanian Dinar	As of December 31, 2016	2015
Fixed Rate Instruments:		
Financial Assets	178,906	563,858
Financial Liabilities	39,721,478	45,200,302

Sensitivity Analysis

An increase in the interest average rate by 1% will lead to increase in finance expense with an amount of JD 395,426, a decrease in the interest average rate by 1% will lead to decrease in finance expense with an amount of JD 395,426.

21) **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).

A. Financial assets and liabilities that are measured at fair value on a recurring basis:

	December 31, 2016			
Jordanian Dinar	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets				
Cash and cash equivalent	1,450,851	193,128	1,257,723	-

	December 31, 2015			
Jordanian Dinar	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial Assets				
Cash and cash equivalent	2,593,793	721,505	1,872,288	-

Management believes that the carrying amount of these financial assets approximate their fair value.

There were no transfers between level 1 and level 2 during the year 2016.

B. Financial assets and liabilities that are not measured at fair value:

Jordanian Dinar	December 31, 2016			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial assets:				
Receivables and cheques under collection *	4,835,428	-	4,835,428	-
Financial Liabilities				
Lessees refundable deposits *	809,391	-	809,391	-
Payables and other credit balances *	3,264,420	-	3,264,420	-
Syndicated loans	39,721,478	-	40,227,871	-

Jordanian Dinar	December 31, 2015			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial assets:				
Receivables and cheques under collection *	3,460,830	-	3,460,830	-
Financial Liabilities				
Lessees refundable deposits *	777,304	-	777,304	-
Payables and other credit balances *	3,741,860		3,741,860	
Syndicated lans	45,200,302	-	45,792,323	-

For items illustrated above, level 2 fair values for financial assets and liabilities have been determined based on effective Interest rates and the agreed upon pricing models, which reflects credit risks for parties dealing with the Company.

* Management believes that the carrying amount of these financial assets approximate their fair value due to their short term maturities.

There were no transfers between level 1 and level 2 during the year 2016.

C. Non-Financial assets and liabilities that are not measured at fair value which fair value disclosed in the financial statements:

Jordanian Dinar	December 31, 2016			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Non-financial assets				
Investment Property	133,445,029	-	134,000,000	-
Assets held for sale	5,519,545	-	8,899,450	-

Jordanian Dinar	December 31, 2015			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Non-financial assets				
Investment Property	141,785,386	-	150,344,966	-

For items illustrated above, level 2 fair values for non-financial assets have been determined based on the quoted price for similar assets, in non-active market.