

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

**CONDENSED INTERIM FINANCIAL
INFORMATION FOR THE THREE-MONTH
PERIOD ENDED MARCH 31, 2017**

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

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

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

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

**To the Chairman and the Members of the Board of Directors
Al Tajamouat for Touristic Projects Company
(Public Shareholding Company)
Amman – Jordan**

We have reviewed the accompanying condensed interim statement of financial position of **Al Tajamouat for Touristic Projects Company – Public Limited Shareholding Company** (“the Company”) as of March 31, 2017 and the related statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS (34) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not presented fairly, in all material respects, the financial position of the Company as of March 31, 2017 and its financial performance and its cash flows for the three-month period then ended in accordance with IAS (34) “Interim Financial Reporting.”

**Kawasmy and Partners
KPMG**

Hatem Kawasmy
License no. (656)



Amman - Jordan
April 27, 2017

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

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (reviewed not audited)

<i>In Jordanian Dinar</i>	<u>Note</u>	<u>As of 31 March 2017 (reviewed not audited)</u>	<u>As of 31 December 2016 (audited)</u>
Assets			
Non-Current Assets			
Property and equipment	5	39,996	43,124
Investment properties	6	132,618,317	133,445,029
Deferred tax assets	7	116,250	122,000
Total Non-Current Assets		132,774,563	133,610,153
Current Assets			
Assets held for sale	8	5,519,545	5,519,545
Receivables and cheques under collection		7,524,158	4,835,428
Other debit balances		1,709,983	2,037,757
Cash and cash equivalent	10	2,660,819	1,450,851
Total Current Assets		17,414,505	13,843,581
Total Assets		150,189,068	147,453,734
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Paid up capital		100,000,000	100,000,000
Share discount		(7,000,000)	(7,000,000)
Statutory reserve		1,092,789	1,092,789
Retained earnings		3,031,409	2,042,117
Total Shareholders' Equity		97,124,198	96,134,906
Liabilities			
Non-Current Liabilities			
Syndicate loan-Long term	11	32,872,948	34,242,654
Unearned revenue – long term		336,085	705,675
Lessees refundable deposit		842,878	809,391
Deferred cheques -Long term		538,802	-
Total Non-Current Liabilities		34,590,713	35,757,720
Current Liabilities			
Syndicate loan-short term	11	5,478,824	5,478,824
Deferred cheques -short term		869,734	537,462
Payables and other credit balances		1,943,272	3,264,420
Unearned revenue – short term		10,084,316	6,182,391
Due to related parties	9	98,011	98,011
Total Current Liabilities		18,474,157	15,561,108
Total Liabilities		53,064,870	51,318,828
Total Shareholders' Equity and Liabilities		150,189,068	147,453,734

The accompanying notes on pages (6) to (11) are an integral part of these condensed interim financial information and should be read with them and with the review report.

The interim financial statements were approved by the board of director on April 27, 2017 and signed by:

Chairman

Finance Manager

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

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

<i>In Jordanian Dinars</i>	Note	For the Three-Month Period Ended March 31,	
		2017	2016
Revenue			
Rental revenues		3,803,171	3,996,752
Cost of revenues		(1,056,738)	(1,088,142)
Depreciation of investment properties	6	(826,712)	(825,546)
Gross profit		1,919,721	2,083,065
Depreciation of property and equipment	5	(3,128)	(4,964)
Reversal of Provision of doubtful debts		21,795	13,681
Other income		-	3,116
Finance cost		(634,903)	(893,574)
Administrative expenses		(217,337)	(200,089)
Provision of doubtful debts		(87,500)	(75,000)
Profit for the period before income tax		998,648	926,235
Income tax expense for the period		(9,356)	(8,550)
Profit for the Period		989,292	917,685
Other comprehensive income		-	-
Total Other Comprehensive Income for the Period		989,292	917,685
Earnings per share for the period:			
Basic and diluted earnings per share (Jordanian Dinars)	12	0.01	0.01

The companying notes on pages (6) to (11) are an integral part of these condensed interim financial information and should be read with them and with the review report.

**AL TAJAMOAT FOR TOURISTIC PROJECTS COPMANY
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CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (REVIEWED NOT AUDITED)

<i>In Jordanian Dinars</i>	Paid up Capital	Share premium	Share discount	Statutory reserve	Retained earning	Total
For the Three-Month Period ended March 31, 2017						
Balance at the beginning of the period	100,000,000	-	(7,000,000)	1,092,789	2,042,117	96,134,906
Total comprehensive income for the period	-	-	-	-	989,292	989,292
Balance as of March 31, 2017	100,000,000	-	(7,000,000)	1,092,789	3,031,409	97,124,198
For the Three-Month Period ended March 31, 2016						
Balance at the beginning of the period	100,000,000	200,714	(7,000,000)	782,540	(912,891)	93,070,363
Total comprehensive income for the period	-	-	-	-	917,685	917,685
Balance as of March 31, 2016	100,000,000	200,714	(7,000,000)	782,540	4,794	93,988,048

The accompanying notes on pages (6) to (11) are an integral part of these condensed interim financial information and should be read with them and with the review report.

**AL TAJAMOAT FOR TOURISTIC PROJECTS COPMANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN – JORDAN**

CONDENSED INTERIM STATEMENT OF CASH FLOWS (REVIEWED NOT AUDITED)

<i>In Jordanian Dinars</i>	Note	For the Three-Month Period Ended March 31,	
		2017	2016
Cash flows from operating activities:			
Profit for the period before income tax		998,648	926,235
Adjustments			
Depreciation of property and equipment	5	3,128	4,964
Depreciation of investment properties	6	826,712	825,546
Finance cost		634,903	893,574
Provision of doubtful debts		87,500	75,000
		2,550,891	2,725,319
Changes in working capital items:			
Restricted cash		(194,772)	112,157
Receivables and cheques under collection		(2,776,230)	(3,631,888)
Other debit balances		327,773	(1,409,303)
Deferred cheques		871,074	1,216,963
Unearned revenue		3,532,335	3,956,655
Payables and other credit balance		(1,239,126)	(175,574)
Lessees refundable deposit		33,487	17,058
Net cash flows from operating activities		3,105,432	2,811,387
Cash flows from investing activities			
Purchase of property and equipment	5	-	(3,605)
Purchases of investment properties	6	-	(29,545)
Net cash flows (used in) investing activities		-	(33,150)
Cash flows from financing activities			
Bank loans payments		(1,369,706)	(1,369,705)
Due to related parties		-	3,313
Interest paid		(720,531)	(893,574)
Net cash flows (used in) financing activities		(2,090,237)	(2,259,966)
Net increase in cash and cash equivalents		1,015,195	518,271
Cash and cash equivalents at the beginning of the period	9	1,436,629	2,436,146
Cash and cash equivalents at the end of the period		2,451,824	2,954,417

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**AL TAJAMOAT FOR TOURISTIC PROJECTS COMPANY
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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

1) GENERAL

AL-Tajamouat for Touristic Project Company was incorporated during the year 1983 as Public Limited Shareholding Company. During the year 2010, The Company decided to increase the paid up capital from JD 59,170,859 to 75,000,000 by an increase of JD 15,829,141. Furthermore, the general assembly decided in its extraordinary meeting held on August 15, 2011 to increase the capital by JD 25,000,000 through a private offering to become JD 100,000,000 with the existence of share discount in the amount of JD 7,000,000.

The Company's main objective is operating Mall in Abdoun zone in Amman under name "TAJ Lifestyle Center."

The condensed interim financial information were approved by the Board of Directors on April 27, 2017

2) BASIS OF PREPARATION CONDENSED INTERIM FINANCIAL INFORMATION

a) Statement of compliance

- The condensed interim financial information for Three-Month Period Ended in March 31, 2017 have been prepared in accordance with IAS 34 "Interim Financial Reporting".
- These condensed interim financial statements do not include all the information and notes required for full annual financial statements prepared in accordance with International Financial Reporting Standards. These condensed interim financial information should be read with the audited financial statements for the year ended December 31, 2016. As well as, the financial performance of the interim financial period ended March 31, 2017 does not necessarily give an indication for the expected financial performance for the year that will be ending on December 31, 2017. In addition, no appropriation has been made on the profit for the period to reserves, which will be appropriated in the annual financial statements at the end of the year 2017.
- The considerations of measurement and recognition were applied in the condensed interim financial statements as of December 31, 2016, moreover, the Company did not have transactions effected by seasonality events during the year.

b) Use of Estimates

The preparation of the condensed interim financial information in accordance with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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 uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial information are summarized as follows:

- A provision for doubtful debts is taken on the basis and estimates for the recoverable amounts which approved by management in conformity with International Financial Reporting Standards (IFRS).
- Management estimates the provision for income tax based on taxable profits in accordance with the prevailing laws and regulations.

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- Deferred tax assets calculated on the basis of expected tax rates applied on temporary differences in accordance to prevailing laws at the condensed interim financial statement date.
- Deferred tax assets reviewed at the end of each financial year and reduced when there are no future economic benefits from these deferred taxes.
- Management periodically reassesses the economic useful lives of property and equipment and investment property 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 counsel. This study highlights potential risks that the Company may incur in the future.
- **Fair value hierarchy:**
The Company is required to determine and disclose the level in the fair value hierarchy into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. Differentiating between Level 2 and Level 3 fair value measurements, i.e., assessing whether inputs are observable and whether the unobservable inputs are significant, may require judgment and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability.

Management believes that its estimates and judgments are reasonable and adequate.

3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these condensed interim financial information are the same used in the Company's financial statements for the year ended December 31, 2016 in except for to the international financial reporting standards which became effective since the years starts on January 1, 2017 which are as follows:

- International Accounting Standard No. (7): Disclosure Initiative
- International Accounting Standard No. (12): Recognition of Deferred Tax Assets for Unrealized Losses.
- Annual Improvements to International Financial Reporting Standards 2014–2016 cycle

The application of these amended standards did not have a significant effect on the condensed interim financial information of the Company.

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4) OPERATING SEGMENT

The Company operates its activities in one major operating segment which represents in leasing activities, the balances and services revenue occurred inside of Jordan.

5) PROPERTY AND EQUIPMENT

There were no additions in property and equipment during the three-month period ended March 31, 2017 (December 31, 2016: JOD 5,610). The depreciation expense on property and equipment was amounted to 3,128 JOD during the three-month period ended March 31, 2017 (for the three-month period ended March 31, 2016 the depreciation expense was amounted to: JOD 4,964).

6) INVESTMENT PROPERTIES

There were no additions in investment property during the three month period ended on March 31, 2017 (December 31, 2016: JOD 484,048) there was no disposals during the three month period ended March 31, 2017 (December 31, 2016: JOD Zero). Moreover, the depreciation expense was amounted to JOD 826,712 during the three-month period ended March 31, 2016 (where for the three-month period ended March 31, 2016 the depreciation was amounted to JOD 825,546).

- 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 (excluding the land located opposite to Taj Life Style) amounts to JOD 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 mentioned in (Note 11).

7) DEFERRED TAX ASSETS & INCOME TAX

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

<i>Jordanian Dinar</i>	March 31, 2017	December 31, 2016
Deferred tax assets	<u> </u>	<u> </u>
Beginning balance for the year	122,000	156,200
Amortization of deferred tax assets during the period	(5,750)	(34,200)
Adjustments on tax rates / deferred tax assets	-	-
Deferred tax assets	<u>116,250</u>	<u>122,000</u>

The deferred tax assets for the period ended March 31, 2017 was calculated on the 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 settlement with the Income and Sales Tax Department till the end of 2014. Moreover, the Company submitted its income tax returns for the years 2015 and 2016, however, no final settlement has been reached with the Income and Sales Tax Department for these years yet. The management and its tax consultant believe that the amounts booked on the condensed interim financial statements are sufficient to meets any tax liabilities.

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8) ASSETS HELD FOR SALE

The Company reclassified the land located in the opposite of (Taj life style) which previously classified as property investments to assets held for sales with net book value amounted to 5,519,545 JOD along with the Company plan to sell the land, Furthermore fair value had been determined by various real estate experts to as of December 31, 2016 with the amount of 8,899,450 JOD.

9) TRANSACTIONS WITH RELATED PARTIES

<i>Jordanian Dinar</i>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
9-1) <u>Due to related party</u>		
Bank Alkhair	90,896	90,896
Alsalam Company	7,115	7,115
	<u>98,011</u>	<u>98,011</u>

9-2) SALARIES AND REMUNERATIONS FOR KEY MANAGEMENT

Short term salaries, remunerations and transportations paid to the Company higher executive management and board of directors for that period ended March 31, 2017 were amounted to JOD 33,000 (March 31, 2016 :JOD 33,000).

10) CASH AND CASH EQUIVALENTS

<i>Jordanian Dinars</i>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Cash on hand and cash at banks	437,322	178,906
Checks under collection accrued during three month	2,014,502	1,257,723
Restricted cash*	208,995	14,222
	<u>2,660,819</u>	<u>1,450,851</u>

* 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:

<i>Jordanian Dinars</i>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Cash on hand and Cash at banks	2,660,819	1,450,851
Less: restricted cash	(208,995)	(14,222)
	<u>2,451,824</u>	<u>1,436,629</u>

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11) SYNDICATED LOAN

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 that is located in Abdoun.

The collected interest rate on the syndicated loan is to be equal to the stated interest rate on the Jordanian Dinar for the best customers at Jordanian Banks. In addition to an annual margin amounted to 1% Where this ratio has been changed several times, most recently in March 2017 to be weighted average prime lending rate of all lenders minus 2.42% which is equivalent to 6.25%

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 became due on February 3, 2024.

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

<i>Year</i>	Jordanian Dinar
2017	4,109,118
2018-2023	31,503,241
2024	1,369,706

12) BASIC AND DILUTED EARNINGS PER SHARE

	For the period ended March 31,	
	2017	2016
Profit for the period after tax	989,292	917,685
Number of shares weighted average (share)	100,000,000	100,000,000
Basic and diluted earnings per share on profit for the period	0,01	0,01

13) CONTINGENT LIABILITIES

a. The contingent liabilities at the date of these condensed interim financial information are as follows:

<i>In Jordanian Dinar</i>	March 31, 2017	December 31, 2016
Bank guarantees	212,082	194,083
	212,082	194,083

Against cash margins represented as follows:

<i>In Jordanian Dinar</i>	March 31, 2017	December 31, 2016
Bank guarantees	35,267	32,467
	35,267	32,467

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- b. Lawsuit cases held against the Company amounted to JOD 582,381 in addition to other cases with no value as of March 31, 2017. In the opinion of the management and its legal consultant the recorded provisions in the condensed 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 exception from these fines up to November 2017.

14) FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

Generally, the Company has an exposure to credit, liquidity, market, and capital risks which are disclosed in its interim financial statements as of and for the year ended December 31, 2016.

- Capital management

There have been no changes in the Company's approach to capital management during the current interim period neither the Company is subject to externally imposed capital requirements.

- Credit risk

The carrying amount of the financial assets represents the maximum credit exposure. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country in which customer operate, has less of an influence on credit risk

- 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, taking into consideration deducting the unearned revenue balance as it does not have a material impact on liquidity risk.

- Fair value

The fair value of financial assets and liabilities are not materially different from its book value in the condensed consolidated interim statements of financial position.