

AL TAJAMOUAT FOR TOURISTIC PROJECTS COMPANY

PUBLIC SHAREHOLDING COMPANY

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2020



Ernst & Young Jordan
P.O. Box 1140
300 King Abdulla Street
Amman 11118
Jordan
Tel:00962 6 580 0777 /00962 6552 6111
Fax:00962 6 5538 300
www.ey.com

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF
AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Al Tajamouat for Touristic Projects Company Public Shareholding Company and its subsidiary (“the Group”) as at 30 June 2020, comprising of the interim condensed consolidated statement of financial position as at 30 June 2020 and the related interim condensed consolidated statements of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statements of cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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 information consists of making inquiries, primarily of persons responsible for the 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Emphasis of a Matter

Without qualifying our conclusion, we draw attention to note (14) to the interim condensed consolidated financial statements, which describes the potential effect of COVID-19 pandemic on the Groups’ operating environment.

Amman – Jordan
6 August 2020

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	<u>Notes</u>	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Assets			
Non-Current Assets			
Property and equipment	4	18,322	21,615
Investment properties	5	123,697,608	125,287,458
Deferred tax assets	6	49,500	59,400
Cheques under collection-long term		250,441	396,563
Total Non-Current Assets		<u>124,015,871</u>	<u>125,765,036</u>
Current Assets			
Assets held for sale	7	-	5,519,545
Trade receivables		2,241,298	1,825,494
Other current assets		2,369,077	1,199,257
Cheques under collection-short term		2,644,965	3,496,254
Cash on hand and at banks	9	5,885,335	444,651
Total Current Assets		<u>13,140,675</u>	<u>12,485,201</u>
Total Assets		<u><u>137,156,546</u></u>	<u><u>138,250,237</u></u>
Equity and Liabilities			
Equity			
Paid in capital	1	93,000,000	100,000,000
Share discount		-	(7,000,000)
Statutory reserve		1,956,981	1,956,981
Retained earnings		8,215,227	8,727,457
Net Equity		<u>103,172,208</u>	<u>103,684,438</u>
Liabilities			
Non-Current Liabilities			
Syndicated loan-long term	10	21,964,952	20,956,505
Tenants refundable deposits		847,382	837,052
Unearned revenue – long term		-	152,934
Total Non-Current Liabilities		<u>22,812,334</u>	<u>21,946,491</u>
Current Liabilities			
Syndicated loan-short term	10	1,164,200	2,328,500
Postdated cheques		833,358	896,516
Trade payables and other current liabilities		3,792,726	3,444,694
Unearned revenues – short term		5,289,266	5,857,454
Due to related parties	8	92,454	92,144
Total Current Liabilities		<u>11,172,004</u>	<u>12,619,308</u>
Total Liabilities		<u>33,984,338</u>	<u>34,565,799</u>
Total Equity and Liabilities		<u><u>137,156,546</u></u>	<u><u>138,250,237</u></u>

The attached notes from 1 to 14 form part of these interim condensed consolidated financial statements

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2020 (UNAUDITED)

	Notes	For the three-months ended 30		For the six-months ended 30	
		June		June	
		2020	2019	2020	2019
		JD	JD	JD	JD
Revenues					
Rental revenues		1,446,965	3,522,312	4,068,195	6,971,145
Cost of revenues		(609,983)	(1,108,128)	(1,538,534)	(2,226,505)
Depreciation of investment properties	5	(803,419)	(806,604)	(1,606,754)	(1,612,853)
Gross profit		33,563	1,607,580	922,907	3,131,787
Depreciation of property and equipment	4	(2,150)	(2,711)	(4,436)	(5,449)
Finance cost		(404,010)	(521,138)	(874,000)	(1,102,328)
Administrative expenses		(286,283)	(222,343)	(485,223)	(442,528)
Provision for expected credit losses and doubtful debts		-	(435,297)	(129,832)	(585,297)
Other income (expenses)		-	(60,000)	11,310	(100,000)
Gain from sale of assets held for sale	7	80,455	-	80,455	-
Interest income		873	3,211	873	8,525
(Loss) profit for the period before income tax		(577,552)	369,302	(477,946)	904,710
Income tax expense for the period	6	(4,950)	(60,417)	(34,284)	(114,612)
(Loss) profit for the period		(582,502)	308,885	(512,230)	790,098
Add: Other comprehensive income items		-	-	-	-
Total comprehensive (loss) income for the period		(582,502)	308,885	(512,230)	790,098
		JD / Fils	JD / Fils	JD / Fils	JD / Fils
Basic (loss) earnings per share	11	(0,006)	0,003	(0,006)	0.008

The attached notes from 1 to 14 form part of these interim condensed consolidated financial statements

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (UNAUDITED)

	Paid in capital	Share discount	Statutory reserve	Retained earnings	Total
	JD	JD	JD	JD	JD
For the six-months period ended 30 June 2020					
Balance as of 1 January 2020	100,000,000	(7,000,000)	1,956,981	8,727,457	103,684,438
Capital decrease (note 1)	(7,000,000)	7,000,000	-	-	-
Total comprehensive (loss) for the period	-	-	-	(512,230)	(512,230)
Balance as of 30 June 2020	93,000,000	-	1,956,981	8,215,227	103,172,208
For the six-months period ended 30 June 2019					
Balance as of 1 January 2019	100,000,000	(7,000,000)	1,781,492	7,365,137	102,146,629
Total comprehensive income for the period	-	-	-	790,098	790,098
Balance as of 30 June 2019	100,000,000	(7,000,000)	1,781,492	8,155,235	102,936,727

The attached notes from 1 to 14 form part of these interim condensed consolidated financial statements

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (UNAUDITED)

	Notes	For the six-months ended 30	
		June	
		2020	2019
		JD	JD
<u>Operating Activities</u>			
(Loss) profit for the period before income tax		(477,946)	904,710
Adjustments			
Depreciation of property and equipment	4	4,436	5,449
Depreciation of investment properties	5	1,606,754	1,612,853
Gain from sale of assets held for sale	7	(80,455)	-
Interest income		(873)	(8,525)
Finance cost		874,000	1,102,328
Provision for expected credit losses and doubtful debts		129,832	585,297
Changes in Working Capital Items:			
Cheques under collection		997,411	(1,823,675)
Trade receivables		(545,636)	(608,865)
Other current assets		(1,169,820)	(511,913)
Postdated cheques		(63,158)	771,757
Unearned revenues		(721,122)	1,477,413
Trade payables and other current liabilities		182,916	1,869,893
Related parties		310	-
Taxes paid		-	(581,828)
Net cash flows from operating activities		736,649	4,794,894
<u>Investing Activities</u>			
Interest received		873	8,525
Purchases of investment properties	5	(16,904)	(95,969)
Purchases of property and equipment	4	(1,143)	(964)
Proceeds from sale of assets held for sale		5,600,000	-
Tenants refundable deposits		10,330	(39,454)
Net cash flows from (used in) investing activities		5,593,156	(127,862)
<u>Financing Activities</u>			
Repayment of syndicated loan	10	(582,100)	(4,109,120)
Finance cost paid		(307,021)	(1,145,699)
Net cash flows used in financing activities		(889,121)	(5,254,819)
Net increase (decrease) in cash and cash equivalents		5,440,684	(587,787)
Cash and cash equivalents at the beginning of the period		444,651	783,597
Cash and cash equivalents at the end of the period	9	5,885,335	195,810

The attached notes from 1 to 14 form part of these interim condensed consolidated financial statements

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2020

(1) GENERAL

AL-Tajamouat for Touristic Projects Company was incorporated during the year 1983 as a Public Shareholding Company. The Company's paid in capital was JD 100,000,000 with each share having a par value of JD 1.

On 26 August 2019, the General Assembly, in its extra ordinary meeting, has approved the reduction of the authorized and paid in capital by JD 7,000,000 against the share discount, to become 93,000,000 shares at a value of one Jordanian Dinar each. The capital reduction procedures were finalized with The Ministry of Trading, Industry and Supply and Amman Stock Exchange on 4 March 2020

The Company's main activity is owning and operating the mall "TAJ Lifestyle Center" located in Abdoun, Amman – Jordan.

The interim condensed consolidated financial statements were approved by the Board of Directors on 6 August 2020.

(2-1) BASIS OF PREPARING THE CONDENSED INTERIM FINANCIAL INFORMATION

The interim condensed consolidated financial statements for the six-months period ended 30 June 2020 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements have been presented in Jordanian Dinars "JD" which is the functional currency of the Group.

The interim condensed consolidated financial statements have been prepared under the historical cost convention.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's annual report as of 31 December 2019. In addition, the results for the six-months period ended 30 June 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

(2-2) BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements comprise the financial statements of AL-Tajamouat for Touristic Projects Company (the Company) and the following wholly owned subsidiary as at 30 June 2020:

Subsidiary Name	Legal form	Country of incorporation	Ownership percentage	
			2020	2019
Al Taj Al Thahabi for Alternative Power Resources Projects*	Limited Liability Company	Jordan	100%	100%

* Al Taj Al Thahabi for Alternative Power Resources Projects limited liability Company was established in Jordan on 25 February 2019 with an authorized paid in capital of JD 5,000. The subsidiary is fully owned by Al Tajamouat for Touristic Projects Company.

The subsidiary does not have any operation since incorporation and up to the date of the interim condensed consolidated financial statements.

(2-2) BASIS OF CONSOLIDATION (CONTINUED)

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interests.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(3) CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020:

Amendments to IFRS 3: Definition of a Business

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

The amendments are applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, the Group did not have to revisit such transactions that occurred in prior periods. Earlier application is permitted and must be disclosed.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7

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. As a result of interest rate benchmark reform, there may be uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument during the period before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an RFR). This may lead to uncertainty whether a forecast transaction is highly probable and whether prospectively the hedging relationship is expected to be highly effective.

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an "RFR"). The effective date of the amendments was for annual periods beginning on or after 1 January 2020, with early application permitted. The requirements must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight.

With phase one completed, the IASB is now shifting its focus to consider those issues that could affect financial reporting when an existing interest rate benchmark is replaced with an RFR. This is referred to as phase two of the IASB's project.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2020

(4) PROPERTY AND EQUIPMENT

The additions to the property and equipment during the six-months period ended 30 June 2020 was JD 1,143 (30 June 2019: JD 964). The depreciation expense for the six-months period ended 30 June 2020 was JD 4,436 (30 June 2019: JD 5,449).

(5) INVESTMENT PROPERTIES

This item represents properties owned by Al- Tajamouat for Touristic Projects Company which includes the mall's land site and the mall building (Taj Lifestyle).

The additions to the investment properties during the six-months period ended 30 June 2020 was JD 16,904 (30 June 2019: JD 95,969). The depreciation expense for the investment properties was JD 1,606,754 during the six-months period ended 30 June 2020 (30 June 2019: JD 1,612,853).

As of 31 December 2019, the management estimated the fair value of the investment property using the discounted cash flows method and due to the recent development of the COVID-19 outbreak, management is in the process of updating the forecast of cash flows in order to update the valuation. However, and based on the high-level review of the forecast, management is of the opinion that the fair value of the investment properties exceeds its carrying amount at 30 June 2020.

The investment properties including the mall (Taj Life Style) are pledged against the syndicated loan (Note 10).

(6) INCOME TAX

The major components of income tax expense in the interim condensed consolidated statement of comprehensive income for the six-months period ended 30 June 2020 and 2019 are as follows:

	For the six months ended 30 June	
	2020	2019
	JD	JD
	(Unaudited)	(Unaudited)
Current period income tax charge	24,384	104,712
Amortization of deferred tax assets	9,900	9,900
	<u>34,284</u>	<u>114,612</u>

The provision for income tax for the six-months period ended 30 June 2020 include 1% as a national contribution. The provision was calculated in accordance with Jordanian Income Tax Law No. (38) of 2019.

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2020

(6) INCOME TAX (CONTINUED)

The movement on the deferred tax assets is as follow:

	30 June 2020 <u>JD</u> (Unaudited)	31 December 2019 <u>JD</u> (Audited)
Beginning balance for the period/year	59,400	79,200
Amortization of deferred tax assets during the period/ year	(9,900)	(19,800)
	<u>49,500</u>	<u>59,400</u>

The deferred tax assets for the period ended 30 June 2020 was calculated on the carried forward losses approved by Income and Sales Tax Department using effective tax rate at (20%) in accordance with the Income Tax Law No. (34) of 2014. The Group agreed with the Income and Sales Tax Department to amortize these losses over agreed annual amount up to the year 2022. Furthermore, the management expects to benefit from the deferred tax assets in the near future.

The Group obtained a final income tax clearance till the year ended 2018.

The Group obtained final clearance from the Income and Sales Tax Department until 31 January 2017, for all the remaining prior periods the Group has submitted all the tax returns and they were not reviewed up to the date of the interim condensed consolidated financial statements.

(7) ASSETS HELD FOR SALE

The Group has reclassified the plots of land, No. (817) parcel no. (29), No. (488) parcel No. (28) and No. (161) parcel No. (27) located opposite to (Taj Life Style) which were previously classified as investment properties to assets held for sale with a carrying amount of JD 5,519,545 as a result of the Group's plan to sell these plots of land.

On 18 June 2020, the Group sold the plots of land for JD 5,600,000 to a third party with a total gain of JD 80,455. The group has collected the full selling price in cash.

(8) TRANSACTIONS WITH RELATED PARTIES

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

Pricing policies and terms of the transactions with related parties are approved by the Group's management.

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2020

(8) TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Following is a summary of balances with related parties included in the interim condensed consolidated statement of financial position:

	Nature of relationship	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Due to related party			
Bank Al - Khair	Ultimate parent	<u>92,454</u>	<u>92,144</u>

These accounts do not bear interest, not guaranteed and do not have maturity date.

Salaries and remunerations for key management

The total salaries and bonuses paid to executive management for the period ended 30 June 2020 amounted to JD 92,291 (30 June 2019: JD 90,624).

(9) CASH ON HAND AND AT BANKS

	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Cash on hand and at banks	5,831,776	380,546
Cash in guarantee account **	54,559	64,105
	<u>5,885,335</u>	<u>444,651</u>

** This amount consists of cash receipts from the tenants of Taj Life Style which were deposited in a guarantee account for the benefit of the syndicated loan and the related operating expenses of the project, in accordance with the syndicated loan agreement.

(10) SYNDICATED LOAN

On 18 January 2010, the Group signed a JD 40,000,000 syndicated loan agreement managed by The Housing Bank for Trade and Finance. During September 2011 the Group raised an additional financing of JD 20,000,000 to reach JD 60,000,000 in total.

The mall (Taj Lifestyle) and landsite of the mall, which is located in Abdoun, were pledged as a collaterals against this loan.

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2020

(10) SYNDICATED LOAN (CONTINUED)

Based on the original agreement the interest rate on the syndicated loan was calculated using the weighted average prime lending rate of all lenders, plus an annual margin of 1%, and the loan balance is payable in equal quarterly installments. The first installment related to the initial JD 40,000,000 portion of the loan was due after thirteen months from delivering the final project from the technical consultant which was on 1 July 2012, and the final installment was due in eight years and three months from the date of the syndicated loan agreement. The first installment related to the additional financing of JD 20,000,000 is due after 26 months from delivering the final project from the technical consultant.

On 30 August 2015, the Group signed an amendment and waiver agreement, based on the agreement, the date of the last payment for the loan's total balance of JD 60,000,000 has been rescheduled to be 18 January 2024. Furthermore, the interest rate calculation has been changed to be calculated using the weighted average prime lending rate of all lenders minus an annual margin of 1.97%. The instalments including the interest are settled in February, May, August, and November of each year.

On 19 September 2019, the Group signed an amendment and waiver agreement, based on the agreement, the last payment of the loan has been rescheduled till November 2029 and the interest calculation was not changed.

The quarterly installments amounted to JD 582,100, in addition to the interest are settled in February, May, August and November of each year.

The loan agreement contains covenants relating to financial ratios and others relating to additional borrowings. According to the loan agreement, the Group has to calculate these ratios and ensure compliance with them on an annual basis.

The cash flow movement for the syndicated loan was related to the settlement of due amounts amounting to JD 582,100 as at 30 June 2020 (30 June 2019: JD 4,109,120).

The allocation of the Group's loan as short term and long term is as follows:

	30 June 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Current*	1,164,200	2,328,500
Non-current	21,964,952	20,956,505
	<u>23,129,152</u>	<u>23,285,005</u>

* Due to the COVID-19 outbreak, management requested deferring the quarterly payments due on May, August and November 2020 amounting to JD 1,746,300 to be included as a part of the last payment due on 3 November 2029, the interest deferred during this period amounted to JD 426,247. The bank approved the management request on 6 April 2020 accordingly the amount of JD 1,164,200 was reclassified to be non-current.

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2020

(10) SYNDICATED LOAN (CONTINUED)

The annual installments amount and due dates for the long-term loan are as follows:

	<u>JD</u>
2021	1,164,200
2022	2,328,400
2023	2,328,400
2024 till 2029	16,143,952
	<u>21,964,952</u>

(11) BASIC (LOSS) EARNINGS PER SHARE

	<u>For the three months ended</u> <u>30 June</u>		<u>For the six months ended</u> <u>30 June</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss) profit for the period (JD)	(582,502)	308,885	(512,230)	790,098
Weighted average number of shares (shares)	93,000,000	93,000,000	93,000,000	93,000,000
	<u>JD/Fills</u>	<u>JD/Fills</u>	<u>JD/Fills</u>	<u>JD/Fills</u>
Basic (loss) earnings per share	<u>(0,006)</u>	<u>0,003</u>	<u>(0,006)</u>	<u>0,008</u>

(12) CONTINGENT LIABILITIES

Guarantees

The Group has issued letters of guarantee amounting to JD 211,586 (2019: JD 217,986) against cash margin amounted to JD 31,698 as of 30 June 2020 (2019: JD 32,339).

Legal claims

The Group is a defendant in a number of lawsuits as of 30 June 2020 with a total value of JD 21,975 in addition to other cases with no determined value (2019: JD 21,975). Related risks have been analysed as to likelihood of occurrence. Accordingly, a full provision has been provided against these claims.

(13) OPERATING SEGMENT

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

(14) RISK MANAGEMENT

The interim condensed consolidated financial statements are prepared on a going concern basis under the historical cost convention.

On 30 January 2020, the World Health Organization declared the outbreak of coronavirus (“COVID-19”) to be a public health emergency of international concern. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes.

The full extent to which the COVID-19 pandemic may impact Group’s results, operations or liquidity is uncertain. Management continues to monitor the impact that the COVID-19 pandemic has on the Group, the Jordanian economy, in which the Group operates. Management assessing and monitoring the impact of COVID -19. An analysis of the impact of the pandemic was conducted as part of their going concern assessment using information available to the date of issue of these interim condensed consolidated financial statements. The analysis included an assessment of areas of concern including: Revenue recognition, collectability of receivables, cheques under collections and the related expected credit losses, disruption to existing contracts and payment extensions, loan repayments and interest rates, impairment of investment property and impact on the Group’s liquidity.

a) Revenue recognition

Due to the large impact on the Group’s operations from the lockdown procedures in Jordan, the Group has recorded a provision amounting to JD 2,083,187 against the revenues from tenants related to the lockdown period up to 30 June 2020.

b) Accounts receivable

Management is still in the process of performing a detailed impact assessment on the Group’s accounts receivable, including the exposure on a sector-by-sector basis to better monitor and assess the potential impact on the Group.

Additionally, as mentioned in note (a), the Group has relieved all its tenants from the due rent during the lockdown period.

The Group has implemented aggressive cash collection measures to monitor, assess and collect the maximum possible cash from tenants following the events of the ongoing crisis.

c) Contracts with suppliers

Management is in the process of renegotiating various contracts with suppliers in order to control cash expenditures.

(14) RISK MANAGEMENT (CONTINUED)

d) Interest-bearing loans

Interest rates on interest-bearing loans and borrowings were reduced from an average of 7.51% to 6.66% effective 3 May 2020 as per the requirements of the Central Bank of Jordan.

Due to the COVID-19 outbreak, management requested deferring the quarterly payments due on May, August and November 2020 amounting to JD 1,746,300 to be included as a part of the last payment due on 3 November 2020, the interest deferred during this period amounted to JD 426,247. The bank approved the management request on 6 April 2020 accordingly the amount of JD 1,164,200 was reclassified to be non-current.

e) Impairment of investment property

As of 31 December 2019, the management estimated the fair value of the investment property using the discounted cash flows method, and due to the recent development of the COVID-19 outbreak, management is in the process of updating the forecast of cash flows in order to update the valuation. However, and based on the high-level review of the forecast, Management is of the opinion that the fair value of the investment properties exceeds its carrying amount at 30 June 2020.

Management will be continuously assessing the existence of impairment indicators including the fall of stock, decrease of market interest rates, shop closures and reduced demand and selling prices of equipment and services.

f) Group's liquidity

Management conducted an analysis which indicates that the solvency position is and will likely remain within the Group's targets considering the sale of the assets held for sale on 18 June 2020 for JD 5,600,000. The Group has collected the full selling price in cash. Management believes the preparation of the interim condensed consolidated financial statements on a going concern basis remains appropriate.