



شركة التجمعات للمشاريع السياحية م.ع.م.
Al - Tajamouat for Touristic Projects, plc.

الرقم : ت ل س / ٣٥ / ٢٠١٧

التاريخ : ١٠ / ٨ / ٢٠١٧

للمرئضا
* سرور
* السيد الو

السادة بورصة عمان المحترمين
عمان - المملكة الأردنية الهاشمية

٢٠١٧
١٠ / ٨ / ٢٠١٧

تحية واحتراما وبعد ،،،

الموضوع : القوائم المالية المرحلية كما هي بتاريخ ٢٠١٧/٦/٣٠ باللغة الانجليزية

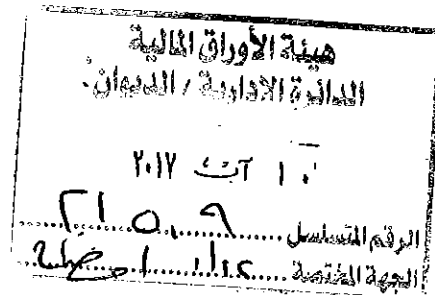
مرفق لكم طيا نسخة من القوائم المالية المرحلية المراجعة لشركة التجمعات للمشاريع السياحية م.ع.م. كما هي بتاريخ ٢٠١٧/٠٦/٣٠ باللغة الانجليزية .

وتفضلوا بقبول فائق الاحترام ،،،

شركة التجمعات للمشاريع السياحية



نسخة : السادة هيئة الاوراق المالية



AL TAJAMOUAT FOR TOURISTIC PROJECTS COMPANY

PUBLIC SHAREHOLDING COMPANY

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

30 JUNE 2017



Building a better
working world

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**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF
AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY
AMMAN - JORDAN**

We have reviewed the accompanying interim condensed financial statements of Al Tajamouat for Touristic Projects Company Public Shareholding Company ("the Company") as at 30 June 2017, comprising of the interim statement of financial position as at 30 June 2017 and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the six month 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 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.

Other Matters

The financial statements for the year ended 31 December 2016 and the interim condensed financial statements for the period ended 30 June 2016 were audited and reviewed respectively by another auditor. Unqualified opinion and unqualified conclusion were issued on these financial statements on 6 February 2017 and 27 July 2016 respectively.

Amman - Jordan
30 July 2017

Ernst & Young

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017 (UNAUDITED)

	Notes	30 June 2017 (Unaudited) JD	31 December 2016 (Audited) JD
Assets			
Non-Current Assets			
Property and equipment	4	36,914	43,124
Investment properties	5	131,808,240	133,445,029
Deferred tax assets	6	110,500	122,000
Cheques under collection-long term		617,647	314,644
Total Non-Current Assets		132,573,301	133,924,797
Current Assets			
Assets held for sale	7	5,519,545	5,519,545
Trade receivables		4,110,678	3,625,545
Other current assets		2,190,406	2,037,757
Cheques under collection-short term		5,101,171	2,152,962
Cash on hand and at banks	9	1,001,549	193,128
Total Current Assets		17,923,349	13,528,937
Total Assets		150,496,650	147,453,734
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Paid in Capital	1	100,000,000	100,000,000
Share discount		(7,000,000)	(7,000,000)
Statutory reserve		1,092,789	1,092,789
Retained earnings		4,066,464	2,042,117
Net Shareholders' Equity		98,159,253	96,134,906
Liabilities			
Non-Current Liabilities			
Syndicated loan-long term	10	31,503,242	34,242,654
Deferred cheques- long term		359,204	-
Unearned revenue- long term		298,940	705,675
Lessees refundable deposit		835,894	809,391
Total Non-Current Liabilities		32,997,280	35,757,720
Current Liabilities			
Syndicated loan- short term	10	5,478,824	5,478,824
Trade payables and other current liabilities		3,205,095	3,264,420
Deferred cheques - short term		839,127	537,462
Unearned revenue – short term		9,717,716	6,182,391
Due to related parties	8	99,355	98,011
Total Current Liabilities		19,340,117	15,561,108
Total Liabilities		52,337,397	51,318,828
Total Shareholders' Equity and Liabilities		150,496,650	147,453,734

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

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2017 (UNAUDITED)

	Notes	For the three-month ended 30		For the six-month ended 30	
		June		June	
		2017	2016	2017	2016
		JD	JD	JD	JD
Revenues					
Rents revenues		3,916,425	4,108,469	7,719,698	8,105,221
Cost of revenues		(1,138,698)	(1,270,787)	(2,195,437)	(2,358,929)
Depreciation of investment properties	5	(826,784)	(825,968)	(1,653,495)	(1,651,514)
Gross profit		1,950,943	2,011,714	3,870,664	4,094,778
Depreciation of property and equipment	4	(3,082)	(4,808)	(6,210)	(9,772)
Finance cost		(597,936)	(822,006)	(1,232,839)	(1,718,579)
Administrative expenses		(202,864)	(224,097)	(420,201)	(424,186)
Provision for doubtful debts - net		(87,500)	(75,000)	(153,205)	(138,319)
Other income		16,136	166	16,136	3,272
Profit for the Period before Income Tax		1,075,697	885,960	2,074,345	1,812,194
Income tax expense for the period	8	(40,642)	(8,550)	(49,998)	(17,100)
Profit for the Period		1,035,055	877,410	2,024,347	1,795,094
Other comprehensive income		-	-	-	-
Total Comprehensive Income for the Period		1,035,055	877,410	2,024,347	1,795,094
Earnings per share	11	0,01	0,009	0,020	0,018

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

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2017 (UNAUDITED)

	Paid in Capital		Share premium		Share discount		Statutory reserve		Retained earnings (Accumulated losses)		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the six-month period ended 30 June 2017												
Balance as of 1 January 2017	100,000,000	-	-	(7,000,000)	1,092,789	2,042,117	96,134,906					
Total comprehensive income for the period	-	-	-	-	-	2,024,347	2,024,347					
Balance as of 30 June 2017	100,000,000	-	-	(7,000,000)	1,092,789	4,066,464	98,159,253					
For the six-month period ended 30 June 2016												
Balance as of 1 January 2016	100,000,000	200,714	(7,000,000)	782,540	(912,891)	93,070,363						
Total comprehensive income for the period	-	-	-	-	1,795,094	1,795,094						
Accumulated losses write-off*	-	(200,714)	-	-	200,714	-						
Balance as of 30 June 2016	100,000,000	-	(7,000,000)	782,540	1,082,917	94,865,457						

* The General Assembly approved in their extraordinary meeting held on 14 April 2016 to write-off an amount of JD 200,714 of the accumulated losses balance as of 31 December 2015 against the share premium balance amounted to JD 200,714.

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

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2017 (UNAUDITED)

	Notes	For the six-months ended 30 June	
		2017	2016
		JD	JD
<u>Operating Activities</u>			
Profit for the period before income tax		2,074,345	1,812,194
Adjustments			
Depreciation of property and equipment	4	6,210	9,772
Depreciation of investment properties	5	1,653,495	1,651,514
Interest income		(879)	(30)
Finance cost		1,232,839	1,715,579
Provision of doubtful debts - net		153,205	136,319
Changes in Working Capital Items:			
Cheques under collection		(3,251,212)	(884,857)
Restricted cash		(603,998)	149,691
Trade receivable		(638,338)	(3,111,651)
Other current assets		(152,649)	(1,512,402)
Deferred cheques		660,869	1,183,874
Unearned revenue		3,128,690	3,130,874
Trade payables and other current liabilities		10,131	324,129
Lessees refundable deposits		26,504	33,481
Net cash flows from operating activities		4,299,112	4,638,487
<u>Investing Activities</u>			
Interest received		879	30
Purchase of property and equipment	4	-	(3,605)
Purchases of investment properties	5	(16,706)	(452,404)
Net cash flows used in investing activities		(15,827)	(455,979)
<u>Financing Activities</u>			
Bank loans payments		(2,739,412)	(2,739,412)
Due to related parties		1,344	3,313
Interest paid		(1,340,794)	(1,715,580)
Net cash flows used in financing activities		(4,078,862)	(4,451,679)
Net increase (decrease) in cash and cash equivalents		204,423	(269,171)
Cash and cash equivalents at the beginning of the period	9	178,906	563,858
Cash and cash equivalents at the end of the period		383,329	294,687

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

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

(1) GENERAL

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

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

The condensed interim financial statements were approved by the Board of Directors on 30 June 2017.

(2) BASIS OF PREPARING THE CONDENSED INTERIM FINANCIAL INFORMATION

The interim condensed consolidated financial statements for the six-month period ended 30 June 2017 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed 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 consolidated financial statements as of 31 December 2016. In addition, the results for the six-month period ended 30 June 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

(3) CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2016, except for the adoption of new standards effective as of 1 January 2017.

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

Limited amendments which require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). However, the adoption of these amendments have no impact on the Company's interim condensed financial statements.

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Un-recognized Losses

Limited amendments to clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference and some other limited amendments, the adoption of these amendments have no impact on the Company's interim condensed financial statements.

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

(4) PROPERTY AND EQUIPMENT

During the six months ended 30 June 2017 there were no additions to the property and equipment (30 June 2016: JD 3,605). The depreciation expense for the period ended 30 June 2017 was JD 6,210 (30 June 2016: JD 9,772).

(5) INVESTMENT PROPERTIES

This balance represents the properties owned by the company that includes the land of the mall (Taj Life Style).

The additions to the investment property during the six-month period ended 30 June 2017 amounted to JD 16,708 (30 June 2016: JD 452,404). The depreciation expense was JD 1,653,495 during the six-month period ended 30 June 2017 (30 June 2016 :JD 1,651,514).

The fair value of the investment properties amounted to JD 134 Million as at 31 December 2016 which is approximately equal to its book value. The fair value was estimated by an independent valuator through discounting the forecasted cash flows from Taj Life Style operations using an appropriate discount rate.

The investment properties are pledged against the syndicated loan excluding the unutilized land located opposite to Taj Life Style (Note 10).

(6) DEFERRED TAX ASSETS AND INCOME TAX

The provision for income tax for the six months period ended 30 June 2017 was calculated in accordance with Jordanian Income Tax Law No. (34) of 2014.

The major components of income tax expense in the interim consolidated statement of comprehensive income are:

	For the Six months ended 30 June	
	2017	2016
	JD	JD
	(Unaudited)	(Unaudited)
Current year income tax charge	38,498	-
Deferred income tax	11,500	17,100
	<u>49,998</u>	<u>17,100</u>

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

(6) DEFERRED TAX ASSETS AND INCOME TAX (CONTINUED)

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

	30 June 2017	31 December 2016
	JD (Unaudited)	JD (Audited)
Beginning balance for the period/year	122,000	156,200
Amortization of deferred tax assets during the period/ year	<u>(11,500)</u>	<u>(34,200)</u>
Deferred tax assets	<u>110,500</u>	<u>122,000</u>

The deferred tax assets balance for the period ended 30 June 2017 was calculated on the carried forward losses approved by Income and Sales Tax Department using the effective tax rate at (20%) in accordance with the Income Tax Law (34) for the year 2014.

Income tax assessments have been agreed with the Income Tax Department for all the years up to 31 December 2014. 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.

(7) ASSETS HELD FOR SALE

The Company 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 Company's plan to sell these plots of land. The fair value of the plots of land were estimated by real estate experts at a value of JD 8,399,450 as of 31 December 2016.

(8) TRANSACTIONS WITH RELATED PARTIES

Related parties represent major shareholders, directors and key management personnel of the Company, 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 Company's management.

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

(8) TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

	Nature	30 June	31 December
		2017	2016
		JD	JD
		(Unaudited)	(Audited)
Due to related party			
Bank Alkhair	Mother Company	90,896	90,896
Al-Salam Company	Sister Company	8,459	7,115
		<u>99,355</u>	<u>98,011</u>

Salaries and remunerations for key management

The total salaries and bonuses paid to executive management for the period ended 30 June 2017 amounted to JD 66,000 (30 June 2016: JD 66,000).

(9) CASH ON HAND AND AT BANKS

	30 June	31 December
	2017	2016
	JD	JD
	(Unaudited)	(Audited)
Cash on hand and Cash at banks	383,329	178,906
Restricted cash*	618,220	14,222
	<u>1,001,549</u>	<u>193,128</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, the as per the requirement of the syndicated loan agreement.

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

	30 June	30 June
	2017	2016
	JD	JD
	(Unaudited)	(Unaudited)
Cash on hand and Cash at banks	1,001,549	302,643
Less : restricted cash	(618,220)	(7,956)
	<u>383,329</u>	<u>294,687</u>

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

(10) SYNDICATED LOAN

The Company has signed a JD 40,000,000 syndicated loan agreement on 18 January 2010 managed by The Housing Bank for Trade and Finance, during September 2011 the Company has raised additional financing of JD 20,000,000 to arrive at JD 60,000,000 aggregate amount of term loan facility.

The landsite of the mall, which is located in Abdoun, was pledged as a collateral for the loan.

The interest rate on the syndicated loan calculated using the weighted average prime lending rate of all lenders, plus a marginal rate of 1%.

The utilized 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 at 1 July 2012 and the final installment was due in eight years and six months from the date of the syndicated loan bank agreement. The first installment related to the additional financing of JD 20,000,000 was due after 26 months from delivering the final project from the technical consultant.

On 30 August 2015 the Company has signed an amendment and waiver agreement, based on the agreement the last payment for the total loan of JD 60,000,000 has been rescheduled to be 18 January 2024. In addition to this the interest rate calculation has been changed to be calculated using weighted average prime lending rate of all lenders minus annual margin of 2.42%.

As per the amendment and waiver agreement the Company undertakes to complete the sale of the three plots of land classified as held for sale (note 7) and to utilize the proceeds from the sale to prepay JD 7.5 million from the loan future installments. During the year 2015 the Company has paid JD 5,895,692, based on that the lead arranger and the lenders waived the Company from the undertaking related to the plots of land no. (488) parcel no. (28) and no. (161) parcel no. (27) and to extend the payment of the remaining amount until 3 August 2019 either from the sale of land no. (817) parcel no. (29) or from the Company's operational activities.

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

The allocation of the Company's loans as short term and long term is as follows:

	30 June 2017 JD (Unaudited)	31 December 2016 JD (Audited)
Loans current portion	5,478,824	5,478,824
Long term loans	31,503,242	34,242,654
	<u>36,982,066</u>	<u>39,721,478</u>

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

(10) SYNDICATED LOAN (CONTINUED)

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

Year	JD
2018	2,739,412
2019	5,478,824
2020	5,478,824
2021	5,478,824
2022 and more	12,327,355
	<u>31,503,239</u>

(11) EARNINGS PER SHARE

	For the three months ended 30 June		For the six months ended 30 June	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
Profit for the period attributable to the equity holders of parent (JD)	1,035,055	877,410	2,024,347	1,795,094
Weighted average number of shares during the year	100,000,000	100,000,000	100,000,000	100,000,000
Basic earnings per share	<u>0.01</u>	<u>0.009</u>	<u>0.020</u>	<u>0.018</u>

No figure for diluted earnings per share has been calculated, as there are no potentially dilutive ordinary shares outstanding.

(12) CONTINGENT LIABILITIES

Guarantees

The Company has issued letters of guarantee amounting to JD 202,899 (2016: JD 194,083) against cash margin amounted to JD 33,349 as of 30 June 2017 (2016: JD 32,467) as of 31 December 2016 in respect of performance bonds.

Legal claims

The Company is a defendant in a number of lawsuits with a value of JD 580,308 in addition to other cases with no value as of 30 June 2017 (2016: JD 580,308) representing legal actions and claims incident to its ordinary course of business. Related risks have been analysed as to likelihood of occurrence. Accordingly, a provision has been provided against these claims.

AL-TAJMOUAT FOR TOURISTIC PROJECTS COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

(12) CONTINGENT LIABILITIES (CONTINUED)

Other contingent liabilities

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 has obtained a waiver from these fines, until 30 November 2017.

(13) OPERATING SEGMENT

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

(14) COMPARATIVE FIGURES

Some of 2016 balances were reclassified to correspond with those of 30 June 2017 presentation. The reclassification has no effect on the profit and equity of the year 2016.