شركة الاردن لتطوير المشاريع السياحية

إشارتنا م م – رش /2018/61

التاريخ : 2018/10/6

السادة بورصة عمان المحترمين

الموضوع : البيانات المالية الربع الاول المنتهية في 2018/3/31

النسخة الانجليزية

تحية طيبة و بعد ،،

نرفق طيه كتاب البيانات المالية الربع الاول لشركة الأردن لتطوير المشاريع السياحية للسنة 2018 النسخة الانجليزية .

و تفضلوا بقبول فاق الإحترام ،،،

بورصة عمان
الدائرة الإدارية والمالية
الديوان
٠٧ تشرين الأول ٢٠١٨
الرقم المتسلسل: ٤٦١٧
رقم الملف: ٢١١١٢
الجهة المختصة: المالية الادراج

شركة الأردن لتطوير المشاريع السياحية
شارع زهران، عمارة رقم ١٨٨
عمان، الأردن
ص.ب : ٩٤١٢٩٩
عمان ١١١٩٤ ـ الأردن
هاتف : ٠٠٣٣٥٥ ٩٦٢٦٢ ـ فاكس : ٠٠٣٣٥٦ ٩٦٢٦٢
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JORDAN PROJECTS FOR TOURISM
DEVELOPMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED
MARCH 31, 2018
TOGETHER WITH THE REVIEW REPORT

JORDAN PROJECTS FOR TOURISM
DEVELOPMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
March 31, 2018

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Review Report

AM/ 30840

To the Chairman and Members of the Board of Directors
Jordan Projects for Tourism Development Company
(A Public Shareholding Limited Company)
Amman – Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying condensed consolidated interim financial position of Jordan Projects for Tourism Development Company (A Public Shareholding Limited Company) as of March 31, 2018 and the related condensed consolidated interim statements of income and comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated 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 Company". A review of condensed consolidated interim financial information 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 the accompanying condensed consolidated interim financial statements for Jordan Projects for Tourism Development Company (A Public Shareholding Limited Company) are not prepared in accordance with International Accounting Standard No. (34) Related to Interim Financial Reporting.

Material Uncertainty Related to Going Concern

Without qualifying our conclusion, we draw your attention to note (16) to the condensed consolidated interim financial statements, which indicates that the Company incurred a loss of JD 909,258 for the three-month period ended March 31, 2018 and that the accumulated losses, plus period's loss amounted to JD 13,450,213 which is equivalent to 44% of the Company's paid-up capital. In addition, the Company suffers from a deficit in its quick liquidity as of March 31, 2018 as stated in note (15). Moreover, banks credit facilities have been rescheduled several times lastly during the first quarter of 2018. These conditions indicate the existence of material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern, which depends on the success of the Management's plan in the above mentioned note and its ability to provide the necessary liquidity to implement future projects.

Deloitte.

Emphasis of Matters
Without qualifying our conclusion above, we draw our attention to the following:

1. As stated in note (12) to the condensed consolidated interim financial statements, the Company has reached a settlement with the Income and Sales Tax Department up to the year 2012, and has submitted its returns for the year 2013 during the process of objection to the decision of the tax evaluator. The Company has also submitted its income tax returns for the year 2014 but they have not yet been reviewed by the Income and Sales Tax Department. On the other hand, the Company has not submitted its income tax returns for the year 2015, 2016 and 2017. Moreover, the Income and Sales Tax Department – Aqaba Special Economic Zone Authority has restricted the Bank accounts for Moon Beach for Tourism Investment on October 29, 2017, because the company has not paid its due amounts to the Income and Sales Tax department.

2. As stated in note (14-c) to the condensed consolidated interim financial statements, the entire lands owned by the Company are subject under the agreement with Aqaba Special Economic Zone Authority to restrictions until the completion of all stages of the Tala Bay tourist city project on these lands or until it is sold to third parties for the purpose of establishing hotels or tourism/ service projects.

Other Matters
The Company's financial year ends on December 31 of each year, but the condensed consolidated interim financial statements are prepared for management purposes and for the purpose of the Securities Commission.

The financial statements for the year-ended December 31, 2017 and for the three-month period ended March 31, 2017 were audited and its numbers are represented for comparison purposes in the condensed consolidated interim financial statements by another auditor, who issued his unqualified report on May 13, 2018 and on January 21, 2018, respectively.

The accompanying condensed consolidated interim financial statements are a translation of the condensed consolidated interim financial statements in Arabic language to which reference should be made

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
010103

Amman-Jordan.
July 31, 2018

Deloitte & Touche (Middle East) – Jordan

JORDAN PROJECTS FOR TOURISM DEVELOPMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	March 31, 2018 (Reviewed not Audited)	December 31, 2017
ASSETS		JD	JD
Non-Current Assets:			
Property and equipment - net		81,167,343	81,527,041
Leased Property - Financial Leasing		5,196,402	5,223,703
Investment property - net		3,275,690	3,437,160
Total Non-Current Assets		89,639,435	90,187,904
Current Assets:			
Projects and lands available for sale, and ready projects pending delivery	7	21,930,066	22,355,127
Projects under construction	8	45,827	45,827
Other debit balances		3,898,359	3,486,523
Inventory		584,949	553,364
Accounts receivable - net	6	5,079,563	3,303,371
Cash on hand and at bank		408,289	476,647
Deferred tax assets		440,099	440,099
Due from related parties	13	57,586	64,247
Total Current Assets		32,444,738	30,725,205
TOTAL ASSETS		122,084,173	120,913,109
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY:			
Paid-up Capital	9	30,500,000	30,500,000
Share premium		29,719,600	29,719,600
Statutory reserve	9	2,394,160	2,394,160
Voluntary reserve	9	1,527,192	1,527,192
Foreign currency translation differences		154,928	154,928
Accumulated (losses)		(12,540,955)	(12,540,955)
(Loss) for the period		(909,258)	-
Total Shareholders' Equity		50,845,667	51,754,925
Non-Current Liabilities:			
Long-term loans	10	31,279,645	30,380,192
Post dated checks and notes payables - Long term		3,434,836	1,148,194
Shareholder loan - Long term	11	-	3,840,587
Financing lease liability - Long term		3,138,143	3,138,143
Total Non-Current Liabilities		37,852,624	38,507,116
Current Liabilities:			
Due to banks		-	4,853
Post-dated checks and notes payable - Short term		1,720,181	3,220,181
Accounts payable		8,069,005	8,154,130
Short-term loans	10	4,647,537	5,411,127
Shareholder loan - Short term	11	6,934,645	3,000,000
Deferred revenue		2,483,411	1,499,916
Financial leasing contracts liability - Short term		449,241	580,356
Income tax provision	12	244,586	238,405
Due to related parties	13	150,751	832,941
Other credit balances		8,686,525	7,709,159
Total Current Liabilities		33,385,882	30,651,068
Total Liabilities		71,238,506	69,158,184
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		122,084,173	120,913,109

Chief Executive Officer   Chairman

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

JORDAN PROJECTS FOR TOURISM DEVELOPMENT COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME

(REVIEWED NOT AUDITED)

		For the Three-Month Period Ended on March 31,	
	Note	2018	2017
		JD	JD
Revenue		4,584,544	5,223,441
Cost of revenue		(2,788,220)	(2,903,171)
Gross Profit	4	1,796,324	2,320,270
General and administrative expenses		(266,334)	(250,067)
Employees' expenses		(1,012,356)	(966,401)
Depreciation of property, equipment and investment property		(413,973)	(443,982)
Borrowing costs		(1,011,847)	(787,241)
Other income		7,519	58,483
Provision expenses		(2,410)	(225,541)
(Loss) for the Period before Tax		(903,077)	(294,479)
Income tax expense	12	(6,181)	(6,053)
Net (Loss) for the Period		(909,258)	(300,532)
Comprehensive Income Items for the Period:			
Foreign currencies transaction differences		-	31,093
Comprehensive (Loss) for the Period		(909,258)	(269,439)
(Loss) per Share for the period attributable to shareholders	5	(0.03)	(0.01)

Chief Executive Officer   Chairman

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

JORDAN PROJECTS FOR TOURISM DEVELOPMENT COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

	Paid-up Capital	Share Premium	Reserves		Differences In Translation of Foreign Currencies	Accumulated (Losses)	(Loss) for the Period	Total
			Statutory	Voluntary				
	JD	JD	JD	JD	JD	JD	JD	JD
For the Three-Month Period Ended on March 31, 2018								
Balance - beginning of the period	30,500,000	29,719,600	2,394,160	1,527,192	154,928	(12,540,955)	-	51,754,925
Total Comprehensive (Loss) for the Period	-	-	-	-	-	-	(909,258)	(909,258)
Balance - End of the Period	30,500,000	29,719,600	2,394,160	1,527,192	154,928	(12,540,955)	(909,258)	50,845,667
For the Three-Month Period Ended on March 31, 2017								
Balance - beginning of the period	30,500,000	29,719,600	2,394,160	1,527,192	195,362	(2,315,521)	-	62,020,793
Total comprehensive (Loss) for the period	-	-	-	-	-	-	(300,532)	(300,532)
Differences in translation of foreign currencies	-	-	-	-	31,093	-	-	31,093
Total Comprehensive (Loss) for the Period	-	-	-	-	31,093	-	(300,532)	(269,439)
Balance - End of the Period	30,500,000	29,719,600	2,394,160	1,527,192	226,455	(2,315,521)	(300,532)	61,751,354

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

JORDAN PROJECTS FOR TOURISM DEVELOPMENT COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(REVIEWED NOT AUDITED)

	For the Three-Month Period Ended March 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:	JD	JD
(Loss) for the period before tax	(903,077)	(294,479)
Adjustments for:		
Depreciation of property and equipment	386,672	417,181
Depreciation of leased property - financial leasing	27,301	26,801
Borrowing expenses	1,011,847	787,241
Provision expenses	2,410	225,541
Net Cash Flows from Operating Activities before Changes in Working Capital	525,153	1,162,285
Decrease in projects and lands available for sale and ready projects pending delivery	425,061	629,471
Decrease in projects under constructions	-	860,432
(Increase) decrease in inventory	(31,585)	30,357
(Increase) Decrease in accounts receivable and other debit balances	(1,799,235)	170,378
Decrease in due from related parties	6,661	-
(Decrease) in due to related parties	(682,190)	-
(Decrease) in due to banks	(4,853)	-
(Decrease) in lease commitment contracts	(131,115)	(131,115)
Increase in accounts payable and other credit balances	501,038	334,493
Increase (Decrease) in deferred revenue	983,495	(1,187,882)
Net Cash Flows (used in) from Operating Activities	(207,570)	1,868,419
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Purchase) of property and equipment	(26,974)	(2,315)
Sale of investment property	161,470	-
Net Cash Flows from (used in) Investing Activities	134,496	(2,315)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (Decrease) in post-dated checks and notes payable	786,642	(29,338)
Increase in shareholder loan	94,058	-
Increase (Decrease) in loans	135,863	(1,176,016)
Borrowing Expenses	(1,011,847)	(787,241)
Net Cash Flows from (used in) Financing Activities	4,716	(1,992,595)
Net (Decrease) in Cash	(68,358)	(126,491)
Cash and balances at banks - beginning of the period	476,647	248,534
Cash and balances at Banks - End of the Period	408,289	122,043

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

1. General

a. Jordan Projects for Tourism Development Company was established during the year 2000, in accordance with the Jordanian Companies Law Number (22) for the year 1997. It was registered at the Ministry of Industry and Trade as a Public Shareholding Limited Company under number (339) on June 15, 2000 with a paid-up capital of JD 7,000,000, divided into 7,000,000 shares at a par value of JD 1 per share. This capital has been increased several times to become JD 21,500,000. On February 16, 2001, the Company was registered and licensed at Aqaba Special Economic Zone Authority under No. (1101021601) to be able to provide its services. In their extraordinary meeting held on December 23, 2012, the Company's General Assembly decided to increase the Company's capital by JD 10,000,000 to reach JD 31,500,000 through a private underwriting to its shareholders. At the beginning of the year 2015, the General Assembly agreed to amend this decision and increase the Company's capital by 9 million shares to become JD 30,500,000.

The Company performs all its commercial activities in Aqaba Special Economic Zone except for some administrative activities, which are performed in Amman. Its head office address is Zahran Street 179, P.O Box (941299) Amman - Jordan.

b. The main objectives of the Company are the following:
- Construct, build, purchase, sell, lease, rent, manage and supply hotels of all types, including outlets and showrooms.
- Construct, sell, participate in and manage entities, projects, touristic hotels and villages, villas, beach cabins, apartments and all other related activities.
- Construct, establish, participate in and manage travel and tourism agencies and offices and provide services relating to the tourism sector, in addition to selling traditional handicrafts of all kinds.

c. The accompanying condensed consolidated interim financial statements have been approved by the Company's Board of Directors on July 19, 2018, by 7 members out of nine members as two members of the Board of Directors members had expressed their reservation regarding the other credit balances in the condensed consolidated interim financial statements.

2. Significant Accounting Policies

a. Basis of Preparation of the Consolidated Financial Statements:

- The accompanying consolidated condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".
- The consolidated condensed interim financial statements have been prepared according to the historical cost convention except for the financial assets and liabilities that appear at fair value at the date of the consolidated condensed interim financial statements.
- The subsidiary's condensed interim financial statements have been prepared using the same accounting policies used in the company. If the subsidiary follows accounting policies that differ from those of the company, the necessary adjustments are made to the financial statements of the subsidiary to conform to the accounting policies adopted by the company.

- The financial statements of the Company are presented in Jordanian Dinar, which is also its functional currency.

- The accompanying consolidated condensed interim financial statements do not include all the information and disclosures required for the annual financial statements and should be read with the Company's annual report as of December 31, 2017. In addition, the results of the Company's operations for the Three-month period ended March 31, 2018 do not necessarily represent an indication of the expected results for the year ending December 31, 2018.

- The accounting policies adopted in preparing the consolidated condensed interim financial statements are consistent with those applied in the year ended December 31, 2017 except for the effect of the adoption of the new and revised standards which are applied on or after the first of January of 2018 as follow:

a. Amendments with no material effect on the consolidated condensed interim financial statements of the company:

Annual Improvements to IFRS Standards 2014 – 2016 The improvements include the amendments on IFRS 1 and IAS 28 and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 2 *Share Based Payment*
The amendments are related to classification and measurement of share based payment transactions and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 4 Insurance Contracts
The amendments relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard and they are effective for annual periods beginning on or after January 1, 2018.

IFRIC 22 *Foreign Currency Transactions and Advanced Consideration*
IFRIC 22 addresses how to determine the date of transaction for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income (or part of it) or on de-recognition of a non-monetary asset or liability arising from advance considerations.

The interpretation specifies that the date of transaction is the date on which the entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

Amendments to IAS 40 *Investment Property*
These amendments show when the entity shall transfer (reclass) a property including investments under process or development to, or from, investment property.

IFRS 15 *Revenue from Contracts with Customers*
In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 15 may be adopted retrospectively, by restating comparatives and adjusting retained earnings at the beginning of the earliest comparative period. - Alternatively, IFRS 15 may be adopted as of the application date on January 1, 2018, by adjusting retained earnings at the beginning of the first reporting year (the cumulative effect approach).

Amendments to IFRS 15 *Revenue from Contracts* with Customers
The amendments are to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

Amendments to IFRS 7 *Financial Instruments: Disclosures*
The amendments are related to disclosures about the initial application of IFRS 9. The amendments are effective when IFRS (9) is first applied.

IFRS 7 Financial Instruments: Disclosures
The amendments are related to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9. The Amendments are effective when IFRS 9 is first applied.

B. Amendments effective on the consolidated condensed interim financial statements of the Company

IFRS 9 *Financial Instruments*
IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. And a new version of the new standard includes the requirements of recognition, measurement, impairment and hedge accounting.

The final version of IFRS 9 relating to financial instruments was replaced which relates to the credit loss model incurred in accordance with IAS 39 Financial Instruments: Recognition and Measurement, replacing a model for expected credit losses. The Standard includes a business model for debt instruments, loans, financial liabilities, financial guarantee contracts, deposits and receivables, but does not apply to equity instruments.

The Company calculated the initial impact of the International financial reporting standard (IFRS 9), as it is not material, it's impact has not been reversed in the attached consolidated condensed interim financial statements.

The implementation was applied retrospectively in compliance with the IFRS (9) furthermore, the Company didn't adjust the comparative figures. The effect of this implementation was recognised in January 1st, 2018 through retained earnings in the statement of changes in equity.

In case there is a low credit risk to the financial asset at the date of initial application of IFRS (9), the credit risk relating to the financial asset is considered to have not been changed substantially since its initial recognition.

In accordance with IFRS 9 Financial Instruments the expected credit losses are recognized at an early date in accordance with IAS 39.

The revised version of IFRS 9 (2014) (Financial Instruments) includes a classification mechanism for financial assets and liabilities. IFRS 9 requires all financial assets to be classified based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

There is no material difference in the classification of financial assets and liabilities arising from the adoption of IFRS 9 for the year 2014.

c. Basis of Consolidation of the Financial Statements

The accompanying condensed consolidated interim financial statements include the financial statements of the Company and its controlled companies (the subsidiary companies). Control is achieved when the Company has the ability to control the financial and operational policies of the subsidiary entity to obtain benefits from its activities.

Transactions, balances, revenues and losses between the Company and its subsidiaries are eliminated when preparing the condensed consolidated interim financial statements.

The accompanying condensed consolidated interim financial statements include the financial statements of the Company and the following subsidiary companies:

Company's Name	Ownership	Activity Nature	Country of Origin and Work Location
	%		
Aqaba Gulf Constructions *	100	Constructing and Contracting	Jordan - Aqaba Special Economic Zone
Tala Beach for Services and Maintenance	100	Garbage collection and recycling	Jordan - Aqaba Special Economic Zone
Jordan Hotels Holding AG	100	Operating and managing hotels	Switzerland
Amwaj Al Aqaba for Managing Projects and Services	100	Managing projects and logistics services	Jordan - Amman
Tala Beach for Investments	100	Purchasing lands and constructing projects	Jordan - Amman
Jordan Golden Beach - BVI	100	Touristic investments	Virgin British Islands
Jordan Hotel I BVI	100	Touristic investments	Virgin British Islands
Jordan Hotel II BVI	100	Touristic investments	Virgin British Islands
Jordan Hotel IV BVI	100	Touristic investments	Virgin British Islands
Moon Beach for Tourism Investments	100	Operating and managing hotels	Jordan - Aqaba Special Economic Zone
Golden Coast for Tourism Hotels	100	Operating and managing hotels	Jordan - Aqaba Special Economic Zone
Jordan Union for Tourism Projects	60	Operating and managing hotels	Jordan - Aqaba Special Economic Zone
Sama Al Aqaba Company	100	Operating and managing hotels	Jordan - Aqaba Special Economic Zone

* Aqaba Gulf Constructions has not conducted any trading activities during the three-month period ended March 31, 2018. Moreover, a liquidation decision for Aqaba Gulf Constructions was taken on April 21, 2011 and on March 27, 2016 the decision to suspend the voluntary liquidation procedures and move to compulsory liquidation was taken, and is still under liquidation as of the condensed consolidated interim financial statements date.

The most significant financial information for the subsidiary companies for the three-month period ended March 31, 2018 as follows:

	March 31, 2018		For the Three-Month Period Ended March 31, 2018	
	Total Assets	Total Liabilities	Total Revenue	Total Expenses
Company's Name	JD	JD	JD	JD
Aqaba Gulf Constructions	17,817	718,934	-	-
Tala Beach for Maintenance and Services	2,782,301	2,094,976	771,456	12,366
Jordan Hotels Holding AG	385.105	291,185	-	-
Amwaj Al-Aqaba for Managing Projects and Services	103,667	99,100	1,017,608	917,338
Tala Beach for Investments	500	4,740	-	-
Jordan Hotel I BVI	22,500,000	22,502,589	-	-
Jordan Hotel II BVI	7,500,000	7,502,589	-	-
Jordan Hotel IV BVI	-	2,589	-	-
Jordan Golden Beach – BVI	5,679,543	5,683,089	-	-
Moon Beach for Tourism Investments	22,969,447	24,260,963	1,241,195	1,689,765
Golden Coast for Tourism Hotels	11,637,496	7,615,666	997,388	995,031
Jordan Union for Tourism Projects	500	306,750	-	37,500
Sama Al Aqaba Company	104, 017	225,373	-	-

- Subsidiaries' results of operations are integrated in the condensed consolidated statement of income from the date of ownership - i.e. the date on which an actual control over the subsidiary is assumed by the Company. Moreover, the operating results of the disposed subsidiaries are integrated in the condensed consolidated interim statement of income up to the effective date of disposal, the date on which the Company loses control over the subsidiary.

3. Accounting Estimates

The preparation of the condensed consolidated interim financial statements and the application of accounting policies requires management to make estimates and judgments that affect the amounts of financial assets and liabilities and disclose potential liabilities. These estimates and judgments also affect revenues, expenses and provisions. In particular, the Company's management requires judgments and judgments to estimate the amounts and timing of future cash flows. These estimates mentioned are necessarily based on assumptions and factors that have varying degrees of estimation and uncertainty and that the actual results may differ from the estimates as a result of changes in the conditions and circumstances of those estimates in the future. We believe that the estimates included in the condensed consolidated interim financial statements are reasonable, and match the estimates used to prepare the financial statements for the year ended December 31, 2017, except for the estimates used to calculate the effect of IFRS 9 regarding financial instruments where the expected credit loss is calculated using a simplified methodology.

4. Results of the Period based on Operating Segments :

a. The following is analysis for the revenues, operating results, assets and liabilities of the segments:

	Sector Revenue		Cost of Sector Revenue		Operating Sectors Results	
	For the Three-Month Period Ended on March 31		For the Three-Month Period Ended on March 31		For the Three-Month Period Ended on March 31	
	2018	2017	2018	2017	2018	2017
	JD	JD	JD	JD	JD	JD
Hotels	2,248,046	1,698,939	(840,850)	(1,012,367)	1,407,196	686,572
Real estate projects	875,000	1,970,350	(661,333)	(1,239,690)	213,667	730,660
Asset and properties' management	899,505	591,065	(817,335)	(206,005)	82,170	385,060
Operations management	561,993	963,087	(468,702)	(445,109)	93,291	517,978
	4,584,544	5,223,441	(2,788,220)	(2,903,171)	1,796,324	2,320,270
Less:						
Undistributed expenses					(1,692,663)	(1,660,450)
Financing expenses					(1,011,847)	(787,241)
Other Revenue					7,519	58,483
Provision expenses					(2,410)	(225,541)
(Loss) for the period					(903,258)	(294,479)

	March 31 2018	December 31 2017
	JD	JD
Sector's Assets		
Hotels	75,326,199	75,179,468
Real estate projects	6,347,268	6,405,019
Asset and properties' management	14,252,861	14,740,862
Operations' management	5,148,598	3,578,513
Land development	21,009,247	21,009,247
Total Sectors' Assets	122,084,173	120,913,109
Sector's Liabilities		
Hotels	(56,156,414)	(54,173,877)
Real estate projects	(2,287,190)	(2,330,307)
Asset and property management	(9,798,019)	(9,750,000)
Operations management	(2,996,883)	(2,904,000)
Total Sectors' Liabilities	(71,238,506)	(69,158,184)
Net	50,845,667	51,754,925

b. Geographical distribution:

This is the geographical distribution of the company's operations. The company operates mainly in the Kingdom, which represents local operations.

The following is the distribution of the company's assets and liabilities based on geographical sector:

	Inside the kingdom		Outside the kingdom		Total	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
	JD	JD	JD	JD	JD	JD
Total Assets	112,073,629	120,902,565	10,544	10,544	122,084,173	120,913,109
Total Liabilities	70,936,686	68,856,364	301,820	301,820	71,238,506	69,158,184

5. (Loss) per Share for the Period Attributable to Shareholders:

This item consists of the following:

	For the Three-Month Period Ended March 31,	
	2018	2017
	JD	JD
(Loss) for the period	(909,258)	(300,532)
	Share	Share
Weighted average number of shares	30,500,000	30,500,000
	JD / Share	JD / Share
(Loss) per share for the period and attributable to Shareholders – (Basic and Diluted)	(0.03)	(0.01)

6. Accounts Receivable - Net

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Trade customers receivable and other receivables	5,102,355	3,632,008
Less: Provision for doubtful debts *	(564,639)	(562,229)
	4,537,716	3,069,779
Checks under collection	510,868	72,402
Others	30,979	161,190
	5,079,563	3,303,371

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

	For the Three-month Period ended March 31, 2018	For the Year ended December 31, 2017
	JD	
Balance - beginning of the period/ year	562,229	406,683
Additions	2,410	155,546
Balance - End of the Period/ Year	564,639	562,229

- Management believes that the provision for doubtful debts is sufficient, after taking into consolidation the due from related parties and subsequent collections.

Aging for trade receivables is as follows:

	March 31, 2018	December 31, 2017
	JD	JD
Less than 30 days	1,016,886	717,167
31 days - 60 days	507,542	330,847
61 days - 90 days	754,164	160,493
91 days - 120 days	62,284	124,396
More than 120 days	2,761,479	2,299,105
	5,102,355	3,632,008

7. Projects and Lands Available for Sale and Ready Projects Pending Delivery

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Lands available for sale	19,871,669	19,871,669
Apartments and villas available for sale	2,788,013	3,213,074
Less: Allowance for impairment of phase-three villas	(729,616)	(729,616)
	21,930,066	22,355,127

8. Projects under Construction

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Land improvements	42,460	42,460
Golf yard	322,581	322,581
Entertainment center	180,786	180,786
Less: impairment loss	(500,000)	(500,000)
	45,827	45,827

9. Capital and Reserves

a. Paid-up Capital

The Company's capital is JD 30.5 million divided into 30.5 million shares at a nominal value of JD 1 per share.

b. Statutory Reserve

Statutory reserve represents the amounts collected in this account for the annual profit before tax in rate of 10%, which is not distributable as dividends to shareholders. This deduction may not be discontinued before the aggregate amount of this account equals one quarter of the authorized share capital. However, and based on the approval of the General Assembly, the Company may continue to deduct until the statutory reserve reaches the authorized and paid-up capital of the Company. The Company shall continue to deduct the same percentage for each year so that the amounts deducted shall not exceed the paid-up capital.

c. Voluntary Reserve

The voluntary reserve represents the amounts collected in this account for the annual profit before tax not exceeding 20%. This reserve is used for purposes determined by the Board of Directors and the General Assembly of Shareholders is entitled to distribute it fully or part of it to the shareholders.

10. Loans

This item consists of the following:

	Short-Term		Long-Term	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
	JD	JD	JD	JD
Invest Bank loan *	990,859	-	9,591,341	10,119,180
Jordan Kuwait Bank loan –JD **	2,775,000	2,799,959	10,917,093	11,227,280
Jordan Kuwait Bank loan –USD**	381,819	480,908	1,705,675	1,609,535
Bank Audi loan – JD***	250,152	1,076,000	4,540,000	3,714,000
Bank Audi loan – USD ***	249,707	1,054,260	4,525,536	3,710,197
	4,647,537	5,411,127	31,279,645	30,380,192

Guarantees:

* In order to guarantee Invest Bank loan mentioned above, the Company has provided a mortgage of the first class with a value of JD 12 million and a second class mortgage of JD 3 million on a plot of land No. 140 of Ras El-Yamania No. 2 of the land of Aqaba owned by the Company. (The purpose of the loan is to finance the Company's construction activities).

** In order to guarantee Jordan Kuwait Bank loan, the Company has provided a first class mortgage worth JD 11,684 including 8 villas and building No. 12 in addition to commercial shops. The purpose of the loan is to finance the Company's activities related to constructions to guarantee the loan mentioned, in addition to providing a mortgage on a land No. 33 basin Ras El- Yamania No.2 from Aqaba's land which is owned by the Company.

*** In order to guarantee Bank Audi loan, the Company has provided a mortgage on land No. 31 and what is over it from construction of basin Ras El-Yamaina No. 2 from Aqaba's land of JD 16.5 million, in addition to personal guarantee of three shareholders.

11. Shareholder Loan

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Abu Jaber Brother's Company*	6,934,645	6,840,587
Presented in the consolidated financial position Within:		
Current Liabilities	6,934,645	3,000,000
Non-Current Liabilities	-	3,840,587
	6,934,645	6,840,587

* This amount represents the granted loan from Abu Jaber Brother's Company for one of the subsidiaries (Shareholder and Board of Directors member), and the purpose of this loan is to provide enough cash to finance various investment operations for Moon Beach for Tourism Investments Company (subsidiary).

The loan annex agreement was signed between the parties on May 6, 2017, which includes the following points:

- Interest rate and repayment terms for the loan balance will be amended as of January 1, 2015 to become JD 6,483,968 (JD six million, four hundred eighty-three thousands and nine hundred sixty-eight) which was agreed upon by the parties as follows:

a. In case the debtor / Moon Beach Company for Tourism Investments and/or any other company within the same group that Jordan Projects for Tourism Development Company owns and/or controls settles three million Jordanian dinars to the creditor / Abu Jaber Brother's Company during 2017 then the creditor agrees on calculating a new interest rate of 5.5%, effective as of the first of January 2018 on the remaining amount of the loan after paying three million Jordanian Dinars.

   Regarding the remaining amount of the loan, it should be paid within two years with four equal installments from the date of the above payment in addition to the due interest, in which the first payment on the first of January 2018 and the remaining instalments are due after six months from the date of each instalment respectively till the loan is fully settled.

b. If the debtor / Moon Beach Investment Company for Tourism Investments fails to pay the full amount mentioned above which is JD three millions during 2017, the resulting shall be as follow:

- The creditor agrees to calculate a new interest rate of 5.5% as of January 1, 2017 on the loan balance.

- The date of maturity of the first installment of the principal of the loan and any accrued interest shall be amended so that the date of the first installment shall be June 30, 2018 of the amount of JD 1,500,000 (one and half million Jordanian dinars) in addition to the interests forecasted.

- The remaining of the outstanding amounts shall be paid in the amount of JD 1,500,000 (one and half million Jordanian Dinars) plus the interest forecasted every six months until full payment.

- If the debtor fails to pay any installment on the due date, it shall be deemed that the rest of the installments and the amounts not due, including the due interest, are currently due.

- The rate of interest and/or agreed compensation mentioned above is annual.

  In the subsequent period, the Company did not pay the first payment due on June 30, 2018 accordingly, the loan was classified as a short-term loan.

12. Tax

A- Income Tax Expense

This item consists of the following:

	For the Three-Month Period Ended March 31,	
	2018	2017
	JD	JD
Accrued income tax for the profits of the period	6,181	6,053
Balance – End of the Period	6,181	6,053

B- Income Tax Provision

The movement on the income tax provision is as follows:

	March 31, 2018	December 31, 2017
	JD	JD
Balance - beginning of the period/ year	238,405	219,673
Accrued income tax for the profits of the period/ year	6,181	18,732
Balance - End of the Period/ Year	244,586	238,405

C- Deferred Tax

The movement on the deferred tax is as follows:

	March 31, 2018	December 31, 2017
	JD	JD
Balance - beginning of the period/ year	440,099	440,099
Balance - End of the Period/ Year	440,099	440,099

D. Tax Position

- Jordan Project for Tourism Development Company:
The Company has settled the income tax with the income and sales tax department until 2012. The company also provided self-assessment statements for 2013, and it is process of objection to the decision of the tax evaluator and provided self-assessment statements for 2014, which has not yet been reviewed by the Income and Sales Tax Department. The Company didn't submit the self-disclosure statement for 2015, 2016 and 2017. Moreover, there is an amount of JD 112,630 related to 2006 till 2008 in the court of appeal for income tax cases.

- Moon Beach Tourism Investment Company:
The Company submitted the self-assessment statements until 2015 and there is an amount due to the company of JD 500 as a fine for not submitting the self-assessment statements for 2016 and is still under review. In the opinion of the management and the tax consultant of the company, there is no need to take any provision for income tax for these years and the current period due to the accumulated losses of the Company. The Income and Sales Tax Department - Aqaba Economic Zone Authority also seized the bank accounts of Moon Beach Company for tourism investments on October 29, 2017 since the Company has not paid its due amounts to the Income and Sales Tax Department.

- Golden Coast Hotels Company:
The Company submitted the income tax declaration until 2015 and the Company has an outstanding amount of JD 6,730. The company did not submit the income tax declaration for the year 2016. It has a fine of JD 200 and the year 2017 is still under review.

- Aqaba Gulf for construction (under liquidation):
The Company has submitted self-assessment statements for income tax for the years 2005 till 2010 and there are outstanding amounts of JD 316,032 on fines that have not been paid up to the date of the financial statements.

- Sama AL Aqaba Company
The Company has not submitted the income tax declaration for the years 2015, 2016 and 2017, and there are amounts due by the Company of JD 200 for not submitting the income tax declaration for 2014, and in the opinion of the management and the tax consultant of the Company, there is no need to take any provision for income tax as the Company has no activity.

- Tala Beach Company for Investment:
  The company terminated its tax status until 2015 and no income tax declaration was submitted for 2016 and 2017.

- Tala Beach Company for services and maintenance:
  The Company has terminated its tax status until 2014 and the Company has due amounts to the Income and Sales Tax Department of an amount of JD 15,109, excluding fines. The Company has submitted income tax declaration for the years 2015, 2016 and 2017 and the declarations are still under review.

- Amwaj Al Aqaba Company for Managing Projects and Services:
  The company submitted income tax declarations for the years 2015 and 2017. The statements are still being audited by the Income and Sales Tax Department, while for 2016 no self-assessment statements have been submitted.

  In the opinion of the Company's managements and its tax advisor, the income tax provision booked as of March 31, 2018 is sufficient to meet any future tax liabilities.

13. Transactions and Balances with Related Parties

The details of the transactions and balances with related parties during the period/ year are as follows:

a. Balance:

	Accounts Receivable		Accounts Payable	
	March 31, 2018	December 31, 2017	March 31 2018	December 31, 2017
	JD	JD	JD	JD
United Insurance Company*	-	-	150,751	832,941
Major shareholder receivables	57,586	64,247	-	-
	57,586	64,247	150,751	832,941

	Accounts Receivable		Accounts Payable	
	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
	JD	JD	JD	JD
Shareholder Loan	-	-	6,934,645	6,840,587
International Corporation Company for Investments (ORYX)*	779,066	791,288	-	-
	836,652	855,535	7,085,396	7,683,528

* No guarantees have been received or provided. No expenses were booked during the period related to impairment in receivables for the amounts due from related parties

b. Transactions:

	Revenues		Expenses		Interest	
	For the Three-Month Period Ended March 31,		For the Three-Month Period Ended March 31,		For the Three-Month Period Ended March 31,	
	2018	2017	2018	2017	2018	2017
	JD	JD	JD	JD		
Shareholder Loan	-	-	-	-	94,058	-
Zara for South Beach Development *	129,863	127,713	-	-	-	-
International Corporation Company for Investments (ORYX)*	136,501	251,905	-	-	-	-
	266,364	379,618	-	-	94,058	-

* The company is partially owned by a board member.

- Transactions with related parties are priced within the normal commercial rates for the other customers.

- The salaries, bonuses and benefits of the executive management of the company amounted to a total of JD 79,768 for the three-month period ended March 31, 2018 against JD 162,000 for the three-month period ended March 31, 2017.

14. Contingent Liabilities and Financial Commitments

A- Lawsuits

The Company shall appear as a defendant in cases of labor and financial claims of a value of JD 656,694 as of March 31, 2018 (JD 257,142 as of 31 December 2017). Also it appears as a plaintiff in cases of labor and financial claims of a value of JD 15,314 as of March 31, 2018. In the opinion of the management of the Company and the legal counsel of the Company, there is no need to take any additional provisions for such cases.

B- Off-Consolidated Statement of Condensed Consolidated Interim Financial Position Items

As of the date of the condensed consolidated interim financial statements, the Company had contingent liabilities as follows:

	March 31, 2018	December 31, 2017
	JD	JD
Bank guarantees	72.565	69,565
	72.565	69,565

C- Land Purchase Agreement with Aqaba Special Economic Zone Authority

On June 18, 2000, the Company signed an agreement with Aqaba Special Economic Zone Authority (ASEZA) to purchase a land located on the southern beach of Aqaba, which has been used for the constructing, operating, and managing a comprehensive touristic project composed of touristic hotels with its supporting facilities, touristic villages which include units, villas, residential apartments and other related facilities and services.

The sale agreement imposes the following obligations:

1. The Company has to pay 1% (every two months) of the gross revenue generated from operating the hotels; restaurants; recreation centers; commercial, cultural, entertainment centers and the Marina.
2. The Company has to pay JD 2.15 for each square meter of the land sold to third parties for the construction of residential apartments and villas for sale.
3. According to the agreement signed with Aqaba Special Economic Zone Authority, there is a clause in the agreement restricting the Company from disposing of the land. Such restriction will be lifted once the construction phases of Talabay project are completed in accordance with plans approved by Aqaba Special Economic Zone Authority or the land is sold to other parties for the purpose of building hotels or other touristic or service projects.

D) Agreement to secure the Royal Diving Center of Aqaba Economic Zone Authority

On July 5, 2001, the Company signed a guarantee agreement with the Aqaba Special Economic Zone Authority (ASEZA) concerning the undertaking (investing in) the Royal Diving Center to establish an integrated diving village. Where the company uses the plot for the purpose of establishing and operating a touristic project, which constitutes of an integrated diving center.. The intended usage of the land is for the establishment, operation and / or management of a modern diving center, a tourist hotel, a cafeteria, a tourist restaurant and shops.

The duration of this agreement is 49 years from the date of the agreement and it is renewable by agreement of the parties. The Company shall have the following obligations:

The agreement signed with the Aqaba Special Economic Zone Authority (ASEZA) states that hotels owned by the company or any entity that purchases, invests or manages the hotel project shall pay 1% of the total revenues from operating the project facilities (hotels, restaurants, recreational facilities and commercial centers as specified In the agreement (Q9/99), before the download of any expenses or expenses or costs of any kind, and shall be calculated and supplied to the Aqaba Special Economic Zone Authority each (60) days, and if the failure to pay the amounts to be achieved interest (9%) payable to the Aqaba Region Authority Sadia special

1. An annual fee of JD 50,000, payable at the beginning of each year (since the inception of this agreement), and payable on the beginning of the second year (after the inception of the agreement). The Company shall be exempted from payment of the Guarantee fees during the first year of this Agreement. The annual allowance is increased by 2.5% annually starting on the end of the forth year of the agreement.

2. The Company is committed to submit 10% of the total revenues from operating the restaurant and cafeteria and to pay 5% of the total revenues generated from the operation of the hotel and its facilities at the beginning of their operations of any of them.

3. The Aqaba Special Economic Zone Authority shall not bear any losses or risks arising from the failure of the operation of the project.

4. The undertaking company shall allocate at least 4% of the project revenues for marketing and promotion purposes.

5. In the event of a delay in payment of any outstanding payments, interest is charged at 9% per year of the amount due.

6. During 2015, the Company signed a memorandum of understanding with the undertaking company to deal with all the financial planners. The initial agreement was reached on establishing a new joint company to manage the Royal Diving Club under the control of Jordan Tourism Development Company.

E- Operational Lease Commitments

During the year 2014, the Company signed several contracts to sell and lease back apartments. The lease period ranges from 4 to 8 years, renewable in some cases. The minimum future lease payments (undiscounted) are as follows:

	March 31, 2018	December 31, 2017
	JD	JD
Less than a year	388,564	388,564
From 1 to 5 years	1,698,843	1,728,485
More than 5 years	202,500	270,000
	2,289,907	2,387,048

15. Liquidity Risk

Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulty in raising funds to meet commitments.

	March 31, 2018	December 31, 2017
	JD	JD
Current assets	32,444,738	30,725,205
Less: Current liabilities	33,385,882	30,651,068
(Deficit) Surplus in Working Capital	(941,144)	74,137

Quick liquidity risk, by excluding projects, land available for sale, projects ready pending delivery, projects under construction and deferred tax assets, represents the following:

	March 31, 2018	December 31, 2017
	JD	JD
Current assets	10,028,746	7,884,152
Less: Current liabilities	33,385,882	30,651,068
(Deficit) in Working Capital	(23,357,136)	(22,766,916)

The Company relies for its financing on loans from financial institutions and banks and loans from shareholders. The Company's plan to resolve its liquidity deficit is illustrated in note (16) below.

16. Management Future Plan

The Company incurred a loss of JD 909,258 for the three-month period ended March 31, 2018. The accumulated losses, plus period's loss amounted to JD 13,450,213 which is equivalent to 44% of the company's paid-up capital. In addition, the company suffers from a deficit in its quick liquidity as of March 31, 2018 as stated in note (15). The plan to solve the Company's financial statement is as follow:

1- Increase the capital of the Company to develop the infrastructure of the owned land in order to attract new investors for the purpose of developing residential and commercial projects in addition to establishing several hotels and building several other entertainment investments. The Company's Board of Directors has decided in their meeting held on June 10, 2018 to recommend the General Assembly to increase the capital by an amount that does not exceed JD 60 million through the method the General Assembly finds appropriate. The management intends to invite the General Assembly for an extraordinary meeting during the third quarter of the year 2018.

2- Concentrate on developing the hotel sector through attracting new markets from Europe, such as the Polish, Slovakian, and Romanian markets, in addition to minimizing the operating expenses.

3- Build stage 6 of the residential buildings after designating 6 acres of beach area owned by one of the subsidiary companies where this project will contain around 41 residential units, noting that there will be an increased demand on those units in Tala Bay.

4- Reschedule two of the Company's outstanding. loans over a period that ranges between 6 to 8 years. The Company is currently rescheduling its third loan at the same interest rates, which in turn will ease the Company's ability to manage and generate cash flows.

5- Improving and developing the Company's land by supplying it with water and electricity services, and water distillation, alternative energy and solar energy projects.

17. Fair Value Hierarchy

The management believes that the book value of the financial assets and financial liabilities are approximately equals its fair value.