

شركة التحديث للاستثمارات العقارية المساهمة العامة المحدودة  
AL Tahdeth Real State Investments Company Limited Public Contributing

NO : 37/2017

Date : 15/05/2017

To: Jordan securities commission  
Amman stock exchange

Greetings,,,

Subject: Disclosure

Pursuant to the disclosure instructions, we attach to you the following:

- ❖ Copy of the general budget for the accounts for the year ended 31/03/2017 audited by the auditors of the company Ghosheh & Co.

Kindly accept our highly appreciation and respect,

Shareholders Affairs  
شركة التحديث للاستثمارات العقارية  
المساهمة العامة المحدودة

**AL-TAHDITH FOR REAL ESTATE  
INVESTMENTS COMPANY  
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM FINANCIAL STATEMENTS AND  
REVIEW REPORT  
FOR THE PERIOD ENDED MARCH 31, 2017**

**AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM FINANCIAL STATEMENTS AND REVIEW REPORT**  
**FOR THE PERIOD ENDED MARCH 31, 2017**

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## **CERTIFIED PUBLIC ACCOUNTANT'S REPORT**

To the shareholders  
Al-Tahdith For Real Estate Investments Company

### **Report on Auditing the Interim Financial Statements**

#### **Introduction**

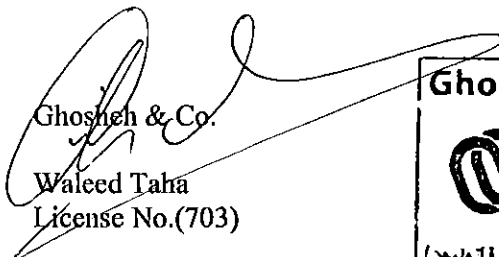
We have reviewed the accompanying Interim Statement of Financial Position for Al-Tahdith For Real Estate Investments Company (P.L.C.) as of March 31, 2017, and the related statements of Interim Consolidated Comprehensive income,, Owners' equity and cash flows for the period then ended, The management is responsible of preparing and presenting company's financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim financial statements based on our review.

#### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. Our review is primarily limited to inquiries of the company's accounting and financial departments personnel as well as applying analytical procedures to financial data .The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards, Accordingly, Getting assurances and confirmations about other important aspects checked through an audit procedure was not achievable, Hence, We don't express an opinion regarding in this regard.

#### **Conclusion**

Based on our review, except what was mentioned in basis of qualification above, nothing has come to our attention that causes us to be believe that the accompanying interim financial statements do not give a true and fair view in accordance with International Accounting Standard No. 34.

  
Ghosheh & Co.  
Waleed Taha  
License No.(703)



Amman-Jordan  
April 10 , 2017

**AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM FINANCIAL STATEMENTS AND REVIEW REPORT(UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2017 AND DECEMBER 31, 2016**  
(EXPRESSED IN JORDANIAN DINARS)

	Note	2017	2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipments		2,023,035	2,040,598
T.V show production		21,000	21,000
Lands investments		491,835	491,835
Long term – Note receivable		128,500	136,050
<b>Total non-current assets</b>		<b>2,664,370</b>	<b>2,689,483</b>
<b>Current assets</b>			
Prepaid expenses and other receivables		4,725	4,042
Inventory		13,616	17,553
Accounts receivable		31,223	26,867
Short term - checks under collection		85,850	86,000
Cash and cash equivalents		14,360	10,955
<b>Total current assets</b>		<b>149,774</b>	<b>145,417</b>
<b>TOTAL ASSETS</b>		<b>2,814,144</b>	<b>2,834,900</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>Owners' equity</b>			
Share capital	1	2,300,000	2,300,000
Statutory reserve		127,614	127,614
Voluntary reserve		6,302	6,302
Special reserve		(41,759)	-
Retained earnings		2,392,157	21,986
<b>Total owners' equity</b>		<b>2,300,000</b>	<b>2,455,902</b>
<b>Non-Current liabilities</b>			
Non-Current portion of the long term loan		45,036	60,079
<b>Total non-current liabilities</b>		<b>45,036</b>	<b>60,079</b>
<b>Current liabilities</b>			
Accrued expenses and other liabilities		97,517	118,704
Deffered checks		3,371	22,698
Accounts payable		37,856	27,241
Bank over draft		138,207	50,276
Current portion of the long term loan		100,000	100,000
<b>Total current liabilities</b>		<b>376,951</b>	<b>318,919</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>2,814,144</b>	<b>2,834,900</b>

The accompanying notes are an integral part of these financial statements

**AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM INCOME STATEMENT (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

	For the three months ended March 31, 2017	For the three months ended March 31, 2016
<b>Operating Revenues</b>		
Revenues from Dewan Zaman Restaurant	86,955	116,655
<b>Total Operating Revenues</b>	<b>86,955</b>	<b>116,655</b>
<b>Less: Operating Cost</b>		
Cost of Restaurant Revenues	(139,685)	(154,516)
<b>Total Cost Operating Revenues</b>	<b>(139,685)</b>	<b>(154,516)</b>
<b>Total loss</b>	<b>(52,730)</b>	<b>(37,861)</b>
General and Administrative expenses	(4,677)	(3,540)
Financial Charges	(6,465)	(6,271)
<b>Net loss Operating</b>	<b>(63,872)</b>	<b>(47,672)</b>
Other Expenses and Revenues	127	(248)
<b>loss period</b>	<b>(63,745)</b>	<b>(47,920)</b>
other Comprehensive Income:		-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>(63,745)</b>	<b>(47,920)</b>
<b>loss per Share:</b>		
loss per Share JD/Share	(0,02)	(0,02)
<b>Weighted Average of Outstanding Shares</b>	<b>2,300,000</b>	<b>2,300,000</b>

The accompanying notes are an integral part of these financial statements

**AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM STATEMENT OF OWNERS' EQUITY (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Statutory reserve	Voluntary reserve	Special reserve	Retained earnings	Total
Balance at January 1, 2017	2,300,000	127,614	6,302	-	21,986	2,455,902
Comprehensive income for period	-	-	-	-	(63,745)	(63,745)
Balance at March 31, 2017	<u>2,300,000</u>	<u>127,614</u>	<u>6,302</u>	<u>-</u>	<u>(41,759)</u>	<u>2,392,157</u>
Balance at January 1, 2016	2,300,000	124,920	74,902	42,029	27,371	2,569,222
Comprehensive income for period	-	-	-	-	(47,920)	-
Balance at March 31, 2016	<u>2,300,000</u>	<u>124,920</u>	<u>74,902</u>	<u>42,029</u>	<u>(20,549)</u>	<u>2,521,302</u>

The accompanying notes are an integral part of these financial statements

**AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

	For the three months ended March 31, 2017	For the three months ended March 31, 2016
<b>Operating Activities</b>		
Loss for the period	(63,745)	(47,920)
Adjustments on income for the period:		
Depreciation	19,687	17,050
Financial charges	6,465	6,271
Changes in operating assets and liabilities :		
Accounts receivable and checks under collection	(4,356)	3,066
Prepaid expenses and other receivables	(683)	427
Inventory	3,937	3,590
Notes receivables	7,700	10,850
Accounts payable	10,615	8,769
Deferred checks	(19,327)	(3,328)
Accrued expenses and other liabilities	(21,187)	(8,886)
<b>Cash used in operating activities</b>	<b>(60,894)</b>	<b>(10,111)</b>
Finance charges paid	(6,465)	(6,271)
<b>Net cash used in operating activities</b>	<b>(67,359)</b>	<b>(16,382)</b>
<b>Investing Activities</b>		
Changes in property and equipments	(2,124)	(2,208)
<b>Net cash used in investing activities</b>	<b>(2,124)</b>	<b>(2,208)</b>
<b>Financing Activities</b>		
Bank overdraft	87,931	27,312
Loans payment	(15,043)	(13,636)
<b>Net cash available from financing activities</b>	<b>72,888</b>	<b>13,676</b>
<b>Net change in cash and cash equivalents</b>	<b>3,405</b>	<b>(4,914)</b>
Cash and cash equivalents, January 1	10,955	12,230
<b>Cash and cash equivalents, March 31</b>	<b>14,360</b>	<b>7,316</b>

The accompanying notes are an integral part of these financial statements



**AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**1. ORGANIZATION AND ACTIVITY**

Al-Tahdith for real estate investments company is a Jordanian limited public shareholding company ("the Company"), registered on October 22, 2006 with the Controller of Companies in the Ministry of Industry and Trade under the number (420). The Company was granted the right to commence operations on July 2, declared and paid up capital JD 2,300,000 divided into 2,300,000 shares, the value of each share is JD one.

The company registered the trade name "Diwan Zaman Restaurants" at the Commercial Names Registrar at the Ministry of Industry and Trade under No. 138299 on 9 January 2008.

The main objectives of the company are to invest in land and buildings and to develop, improve and trade them and to own projects and companies in whole or in part operating in different sectors according to the laws and regulations in Jordan..

The Company's headquarter is in Amman.

**2. NEW AND REVISED STANDARDS AND AMENDMENTS TO IFRSs IN ISSUE BUT NOT YET EFFECTIVE:-**

The following new standards and amendments to the standards have been issued but are not yet effective and the Company intends to adopt these standards, where applicable, when they become effective.

<u>New Standards</u>	<u>Effective Date</u>
(IFRS) No.9 – Financial Instruments	January 1,2018
(IFRS) No.15 – Revenue from Contract with Customers	January 1,2018
(IFRS) No.16 – Leases	January 1,2019

Board of directors of the company is expecting that the application of these standards and interpretations will not have a substantial impact on the Company's financial statements.

**AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY  
(PUBLIC SHAREHOLDING COMAPNY)**

**NOTES TO INTERIM FINANCIAL STATEMENTS (continued)  
YEAR ENDED DECEMBER 31, 2016  
(EXPRESSED IN JORDANIAN DINAR)**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**The preparation of financial statements**

The accompanying financial statements have been prepared in accordance with the International Financial Reporting Standards .

**The Basics of preparation**

These financial statements , were presented in Jordanian Dinar as the majority of transactions recorded in Jordanian Dinar.

The financial statements have been prepared on the historical cost basis , However financial assets and financial liabilities are stated at fair value. The following is a summary of significant accounting policies applied by the company as follows :

**Revenue recognition**

Revenue from the sale of residential apartments is recognized when the sales agreement is signed with the buyer and the sale contract is signed.

Revenue from restaurants is recognized when the service is rendered to customers and the invoice is issued and is shown net of discount.

**Expenses**

General and administrative expenses include both direct and indirect costs not specifically part of production costs as required under generally accepted accounting principles. Allocations between general and administrative expenses and cost of sales are made on a consistent basis when required.

**Cash and cash equivalents**

Cash and cash equivalent include cash, demand deposits, and highly liquid investments with original maturities of three months or less.

**AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**NOTES TO INTERIM FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED DECEMBER 31, 2016**  
(EXPRESSED IN JORDANIAN DINAR)

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**Property and Equipments**

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis except power plant and equipment and machinery (melting furnace) depreciation is calculated on production capacity basis, the depreciation percentage for the assets as follows:

	<u>Annual depreciation rate</u>
Buildings	2%
Electrical Devices	10%-15%
Furniture	10%-15%
Vehicles	15%
Decorations	10%-15%
Tools	10%-20%
Computers and Communications	25%

Useful lives and the depreciation method are reviewed periodically to make sure that the method and depreciation period appropriate with the expected economic benefits of property and equipment.

**Projects Under Construction**

Projects under construction consist of properties that are primarily developed for sale and are stated at cost or net realizable value. Cost includes all direct costs attributable to the design and construction of the property, including staff costs. Net realizable value is the estimated selling price in the normal course of business after deducting the variable selling costs.

**Series Production**

The cost of production of television series is recorded at cost. In general, production costs related to television series are considered as expenses. The costs related to the production of a specific television series that can be identified and distinguished, and the company has the ability to control them and provide future benefits for more than one year.

**AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY  
(PUBLIC SHAREHOLDING COMAPNY)**

**NOTES TO INTERIM FINANCIAL STATEMENTS (continued)  
YEAR ENDED DECEMBER 31, 2016  
(EXPRESSED IN JORDANIAN DINAR)**

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**Use of estimates**

The preparation of the financial statements and the application of accounting policies require 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 income, expenses and provisions, as well as changes in fair value that appear in the statement of income. The company management issue significant judgments and provisions to estimate the amounts of future cash flows and times, the estimates are necessarily based on assumptions and factors with varying degrees of judgment and uncertainty and actual results may differ from estimates due to the changes resulting from the conditions and circumstances of those estimates in the future.

**Segment report**

The business sector represents a collection of assets and operation engaged together in providing product or services subjected to risks and returns that are different from those of other business sectors, which are measured according to the reports that are used by the executive director and the main decision – makers in the Company.

**Offsetting**

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

**Income tax**

The Company is subject to the Income Tax Law for the year and its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income. According to International Accounting Standard number (12), the company may have deferred taxable assets resulting from the differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the financial statements since it's immaterial.

**Leasing**

Leases are classified as capital lease whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the comprehensive income statement on a straight-line basis over the term of the operating lease.

**AL-TAHDITH FOR REAL ESTATE INVESTMENTS COMPANY  
(PUBLIC SHAREHOLDING COMAPNY)**

**NOTES TO INTERIM FINANCIAL STATEMENTS (continued)  
YEAR ENDED DECEMBER 31, 2016  
(EXPRESSED IN JORDANIAN DINAR)**

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**4. FINANCIAL INSTRUMENTS**

**Share Capital Risks Management**

The Company manages its capital to make sure that the Company will continue when it is take the highest return by the best limit for debts and owners' equity balances the Company overall strategy did not change from 2015.

Structuring of Company's capital includes debt which includes borrowing, and the owners' equity in the Company which includes share capital, statutory reserve, and accumulated losses and partner's current account as it listed in the changes in owners' equity statement.

**Financial risks management**

Company activities could mainly be exposed to financial risks that arising from the following:

**Foreign currencies risks management**

The company is not exposed to significant risks related to foreign currency price changes, so there is no need to effective management for this exposure.

**Interest rate risk**

The Company is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits, interest bearing loans and borrowings).

The sensitivity of the income statement is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial assets and financial liabilities held.

**Credit risk**

Credit risk is defined as the risk that one party of a financial instrument will cause a financial loss for the other party by failing to discharge an obligation, the Company maintains cash at financial institutions with suitable credit rating, the Company looks forward to reduce the credit risk by maintaining a proper control over the customer's credit limits and collection process and take provisions for doubtful accounts.

**Liquidity risk**

Are the risks of inability to pay the financial obligations that were settled by receiving cash or another financial asset. Liquidity risk management by control on cash flows and comparing them with maturities of assets and financial liabilities.

The following table represents the contractual eligibilities to non-derivative financial liabilities.

The table has prepared on the non-deducted cash flows for the financial liabilities basis according to the early due dates that may required from the Company to pay or receive.

**19. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Board of Directors and authorized for issuance on April 10, 2017.