

شركة الاردن لتطوير المشاريع السياحية

إشارتنا: م م ر ش / 2018/094

التاريخ: 2018/06/26 للمضام

* ديرصة عمان

الى صاحب

السادة هيئة الأوراق المالية المحترمين

السيد عبد الله

الموضوع: البيانات المالية للسنة المنتهية في 31/12/2017 باللغة الإنجليزية

تحية طيبة و بعد،،

نرفق طيه (CD) البيانات المالية السنوية باللغة الإنجليزية لشركة الاردن لتطوير المشاريع السياحية للسنة المالية المنتهية بتاريخ 2017/12/31.

و تفضلوا بقبول فائق الاحترام،،،

شركة الاردن لتطوير المشاريع السياحية

هيئة الأوراق المالية
الدالة الادارية / الدewan

٢٨ حزيران ٢٠١٨

لرقم المسلسل
جهة المختصة
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**JORDAN PROJECTS FOR TOURISM DEVELOPMENT
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - JORDAN**

**CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR
ENDED DECEMBER 31, 2017**

**TOGETHER WITH THE INDEPENDENT
AUDITOR'S REPORT ON THE
CONSOLIDATED FINANCIAL STATEMENTS**

**JORDAN PROJECTS FOR TOURISM DEVELOPMENT
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN**

FOR THE YEAR ENDED DECEMBER 31, 2017

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**A TRANSLATION OF THE INDEPENDENT AUDITORS' REPORT ON THE
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN ARABIC**

**TO THE GENERAL ASSEMBLY
Jordan Projects for Tourism and Development
(Public Shareholding Company)
Amman – Jordan**

Opinion

We have audited the consolidated financial statements of **Jordan Projects for Tourism Development Company- Public Shareholding Company-** and its subsidiaries ("the Group"), which comprise the Consolidated statement of Financial Position as at December 31, 2017, the Consolidated statements of Profit or Loss and Other Comprehensive income, Changes in Consolidated Shareholders' Equity and Consolidated Cash Flows for the year then ended, and notes, comprising significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the group as at December 31, 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in accordance with International Ethics Standards Board for Accountants Code of Ethics, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

Without qualifying our opinion, we draw attention to the following:

- As disclosed in note (31) to the consolidated financial statements, the Group has liquidity problems to meet its short-term liabilities , as well as the accumulated losses of some subsidiaries have exceeded their capital, which indicate a significant uncertainty about the Group's ability to continue as a going concern . The Group's future plan is presented in the note mentioned above, and accordingly, the consolidated financial statements have been prepared in accordance with the going concern basis.

- As disclosed in note (29) to the consolidated financial statements, The Company has reached a final settlement with the income and Sales Tax Department up to the year 2012 and submitted its self-assessment statement for the years 2013 and 2014 but It is still under audit by the Income and Sales Tax Department. However, the Department has not issued its final decision on these years. Moreover, the Company has not submitted the self-assessment statements for the years 2015, 2016 and 2017. The Income and Sales Tax Department - Aqaba Special Economic Zone Authority ASEZA has seized Moon Beach Investment Company's bank accounts on October 29, 2017, as the Company did not pay its due dues to the Income and Sales Tax Department
- As disclosed in Note (30) to the consolidated financial statements, all land owned by the Group are restricted for use according to the agreement signed with Aqaba Special Zone Authority (ASEZA) until they are developed, however, the restriction will be removed and developed parts to be used according to the group needs, or selling it to other parties for other parties for purposes of construction hotels and other tourism projects.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters, the description of these key audit matters is described below:

1- Property and equipment

Description of the key audit matter	<i>How the matter was addressed in our audit</i>
<p>The Group own property and equipment with carrying amounts of 81,527,041 JD as of December 31, 2017 which represent 67% of total assets for the group as of December 31, 2017 comparing with 83,102,546 JD as of December 31, 2016 which represent 67% of total assets , In accordance with the requirements of IFRS, the Group should test the internal and external indications of impairment and measure any impairment in its value (if any), such matter require a significant judgment and estimates from the management to determine the impairment, as the Group exercise the judgment and estimates over the observable inputs used to determine the impairment. Accordingly, the determination of impairment of these assets by management is considered a key audit matter.</p> <p>The accounting policies and significant estimates relative to property and equipment are summarized in Notes 4 and 7 to the consolidated financial statements.</p>	<p>Our audit procedures include the assessment of the Group's internal controls on the method used to determine any impairment on property and equipment, in addition to the assessment of the estimates used by management to determine the impairment on property and equipment. We have compared these estimates with the requirements of IFRS and discussed based on the available information.</p> <p>Furthermore, our audit procedures include the assessment of the methodology used, the acceptability of the measurement models and the observable inputs to determine the impairment of the property and equipment. Review the relevancy of the key observable inputs used, also we assessed the sufficiency of disclosures made by management on significant estimates.</p>

2- Net realizable value determination of Projects and land available for sale and projects ready for transfer

Description of the key audit matter	How the matter was addressed in our audit
<p>The group owns Projects and land available for sale and projects ready for transfer with carrying amount of 22,355,127 JD's as of December 31, 2017 which represents 18% of the Group's total assets comparing to 22,355,127 JD's which represents 18% of the Group's total assets as of December 31, 2016. In accordance with the requirements of IFRS, the group should assess net realizable value of these assets which comprise selling price less cost to sell, Moreover identify commitment for capitalized expenditures and measure any impairment for Projects and land available for sale and projects ready for transfer (if any).</p> <p>These judgments require management to make a lot of judgments and estimates to determine the net realizable value / impairment. These judgments and estimates are applied to the inputs of the measurement process through real estate valuation from real estate valuers and discounted future cash flows. Accordingly, the process of estimating the net realizable value / impairment of these assets by management considered important to our audit.</p> <p>The accounting policies and significant estimates relative to projects and lands available for sale and projects ready for transfer are summarized respectively in Notes 4, 8 and 9.</p>	<p>Our audit procedures includes the assessment of the Group's internal controls for the method used to determine the net realizable value of Projects and land available for sale and projects ready for transfer and compare it to the book value for the purpose to determine the impairment (if any), in addition to the assessment of the estimates used by management to determine the net realizable value / impairment over the projects and lands available for sale and projects ready for transfer. We have compared these estimates with the requirements of IFRS and discussed with management based on the available information.</p> <p>Furthermore, our audit procedures include the assessment of the methodology used, the acceptability of the measurement models and the observable inputs to determine the net realizable value/impairment of the projects and lands available for sale and projects ready for transfer. Review the relevancy of the key observable inputs used through the review of the discounted future cash flow, the valuations provided by the real states valuers and other inputs reviewed, we also assessed the sufficiency of the important estimates disclosures.</p>

3- Legal Cases and Contingent Liabilities

Description of the key audit matter	How the matter was addressed in our audit
<p>In the normal course of business, contingent liabilities may arise from legal cases held against the Group and from related fines. These amounts involved could be potentially significant and the application of IFRS to determine the amount, if any, to be provided as a liability, require from management judgments and estimates, accordingly the determination of liabilities is considered a key audit matter.</p> <p>The disclosures relative to legal and contingent liabilities are summarized respectively in Note 29 and 30 to the consolidated financial statements.</p>	<p>Our audit procedures includes the assessment of the Group's internal controls to determine the liabilities and the review of correspondence with the regulatory parties and the Group's external legal consultants on all significant legal cases and discussions with the Group's external legal consultant when necessary. In addition, we obtained formal opinion from the Group's external legal consultants for all significant litigation, analyzed correspondence with regulators, and monitored the procedures followed to obtain information from expert parties. We also assessed the disclosures made by the Management.</p>

Other Information

Management is responsible for the other information. The other information does not include the consolidated financial statements and our auditors report on the consolidated financial statements.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We were not provided with the annual report of the group or any other information as it relates to this paragraph until the date of this report.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's consolidated financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain evidence sufficient and appropriate for audit evidence about corporate financial information or business activities within the group to express an opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group scrutiny. We officials individually for an opinion on the consolidated financial statements audit for this group.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

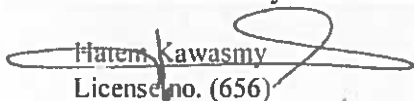
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Group maintains proper accounting records. The accompanying consolidated financial statements are, in all material aspects, in agreement with the Group's accounting records, and we recommend that the Group's General Assembly approves these consolidated financial statements.

KPMG Kawasmy and Partners


Hattem Kawasmy
License no. (656)

Amman - Jordan
May 13, 2018

**JORDAN PROJECTS FOR TOURISM DEVELOPMENT
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	As of December 31,	
		2017	2016
Jordanian Dinar			
Non-Current Assets			
Property and equipment	7	81,527,041	83,102,546
Leased assets – Finance lease	10	5,223,703	5,332,907
Investment properties	11	3,437,160	3,524,508
Total Non-Current Assets		90,187,904	91,959,961
Current Assets			
Projects and land available for sale and projects ready for transfer	8	22,355,127	22,355,127
Projects under construction	9	45,827	906,259
Other debit balances	13	3,486,523	2,817,996
Inventory	12	553,364	556,617
Trade receivables	14	3,303,371	4,811,860
Cash and cash at banks	15	476,647	248,534
Deferred tax assets	29	440,099	440,099
Due from related parties	21-1	64,247	53,663
Total Current Assets		30,725,205	32,190,155
Total Assets		120,913,109	124,150,116
Liabilities and Shareholder's Equity			
Non-Current Liabilities			
Long- term loans	18	30,380,192	32,538,123
Deferred checks and notes payable- Long term	16	1,148,194	150,000
Shareholder's loan	19	3,840,587	3,483,968
Finance lease obligation – Long term	10	3,138,143	3,718,499
Total Non-Current Liabilities		38,507,116	39,890,590
Current Liabilities			
Bank Overdraft		4,853	-
Deferred checks and notes payable- Short term	16	3,220,181	1,610,414
Trade payables	17	8,154,130	6,540,560
Short-term loan	18	5,411,127	4,556,052
Shareholder's loan	19	3,000,000	3,000,000
Deferred revenue		1,499,916	3,467,776
Finance lease obligation – Short term	10	580,356	524,456
Income tax provision	29	238,405	219,674
Due to related parties	21	832,941	-
Other credit balances	20	7,709,159	2,319,801
Total Current Liabilities		30,651,068	22,238,733
Total Liabilities		69,158,184	62,129,323
Shareholders' Equity			
Share and paid up capital	22	30,500,000	30,500,000
Share premium	22	29,719,600	29,719,600
Statutory reserve	22	2,394,160	2,394,160
Voluntary reserve	22	1,527,192	1,527,192
Foreign currency translation		154,928	195,362
Accumulated losses		(12,540,955)	(2,315,521)
Total Shareholders' Equity		51,754,925	62,020,793
Total Liabilities and Shareholders' Equity		120,913,109	124,150,116

The accompanying notes on pages from (10) to (38) are an integral part of these consolidated financial statements and to be read there with and with Independent Auditors report

**JORDAN PROJECTS FOR TOURISM DEVELOPMENT
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31,

<i>Jordanian Dinar</i>	Notes	2017	2016
Revenue	23	17,923,258	21,831,701
Cost of Revenue	24	(11,556,894)	(11,828,299)
Gross profit		6,366,364	10,003,402
Employees expenses	25	(4,238,728)	(4,200,283)
General and Administrative expenses	26	(1,204,966)	(1,280,021)
Depreciation for property, equipment and investment properties		(1,796,377)	(1,959,366)
Finance cost		(3,831,775)	(2,922,244)
Provision expense for termination of Oryx Management Agreement	21-3	(5,093,604)	-
Provision for doubtful debts	14	(155,546)	-
Other provisions expense		(334,391)	-
Other income	27	82,320	1,074,559
Profit for the year before income tax		(10,206,703)	716,047
(Income tax expenses) surplus	29	(18,731)	423,759
Net (Loss) Profit		(10,225,434)	1,139,806
Other comprehensive income items:			
Items that could be reclassified subsequently to profit or loss			
Foreign currency translation differences		(40,434)	21,302
Total comprehensive income for the year		(10,265,868)	1,161,108
Basic and diluted earnings per share (JD/Share)	28	(0,34)	0,037

The companying notes on pages (10) to (38) are an integral part of these consolidated financial statements to be read there with and with independent auditors report.

**JORDAN PROJECTS FOR TOURISM DEVELOPMENT
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

<i>Jordanian Dinar</i>	Share and paid up capital	Share premium	Statutory reserve	Voluntary reserve	Foreign currency translation	Accumulated losses	Total
For the year ended December 31, 2017							
Balance as of January 1, 2017	30,500,000	29,719,600	2,394,160	1,527,192	195,362	(2,315,521)	62,020,793
Loss for the year	-	-	-	-	-	(10,225,434)	(10,225,434)
Foreign currency translation differences	-	-	-	-	(40,434)	-	(40,434)
Balance as of December 31, 2017	30,500,000	29,719,600	2,394,160	1,527,192	154,928	(12,540,955)	51,754,925
For the year ended December 31, 2016							
Balance as of January 1, 2016	30,500,000	29,719,600	2,301,600	1,527,192	174,060	(3,362,767)	60,859,685
Profit for the year	-	-	-	-	-	1,139,806	1,139,806
Transfer to statutory reserve	-	-	92,560	-	-	(92,560)	-
Foreign currency translation differences	-	-	-	-	21,302	-	21,302
Balance as of December 31, 2016	30,500,000	29,719,600	2,394,160	1,527,192	195,362	(2,315,521)	62,020,793

**The balance of accumulated losses includes unrealized gain with an amount of 15,715,563 JD's.

The accompanying notes on pages (10) to (38) are an integral part of these consolidated financial statements and to be read there with and with independent auditors report.

**JORDAN PROJECTS FOR TOURISM DEVELOPMENT
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN.**

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Jordanian Dinar</i>	<i>Note</i>	For the year ended December 31,	
		2017	2016
Cash flows from operating activities			
(Loss) profit for the year before tax		(10,206,703)	716,047
Adjustments for:			
Loss on sale of property and equipment		-	(47)
Depreciation		1,796,377	1,959,366
Provision expense for termination of Oryx Management Agreement		5,093,604	-
Provision for doubtful debts		155,546	-
Other provisions expense		334,391	357,806
Foreign currency translation differences		40,434	21,302
Finance cost		3,831,775	2,922,244
		1,045,424	5,976,718
Changes in working capital items:			
Projects land available for sale and projects ready for transfer.		-	3,850,055
Projects under construction		860,432	945,350
Inventory		3,253	6,117
Trade receivables and other debit balances		684,416	(3,519,809)
Due from related parties		(10,583)	-
Banks overdrafts		4,853	-
Trade payable and other credit balances		1,574,934	(4,549,377)
Finance lease obligation		(524,456)	350,123
Due to related parties		832,941	-
Deferred revenue		(1,967,860)	1,254,217
Net cash flow from operating activities		2,503,354	4,313,394
Cash flows from investing activities			
Acquisition of property and equipment		(24,320)	(160,242)
Project under construction		-	(271,351)
Net cash flow used in investing activities		(24,320)	(431,593)
Cash flows from financing activities:			
Deferred Checks		2,607,961	(446,220)
Loans		(1,383,726)	(1,058,485)
Shareholder's loan		356,619	-
Finance cost		(3,831,775)	(2,922,244)
Net cash flow (used in) from financing activities		(2,250,921)	(4,426,949)
Net change in cash on hand and at banks		228,113	(545,148)
Cash on hand and at banks at the beginning of the year		248,534	793,682
Cash on hand and at banks at the end of the year	15	476,647	248,534

The companying notes on pages (10) to (38) are an integral part of these consolidated financial statements.

**JORDAN PROJECTS FOR TOURISM DEVELOPMENT
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

1) GENERAL

Jordan projects for Tourism Development Company was established during the year 2000, in accordance with the Jordanian company's law number (22) for the year 1997. It was registered at the Ministry of industry and trade as a public shareholding company under number (339) on June 15, 2000 with a paid-up capital of 7,000,000 JD, divided into 7,000,000 shares at a par value of 1 JD per share. The company's subscribed and paid—up capital has been increased through several stages to reach 21.5 million JD. The company registered in Aqaba Special Economic Zone Authority (ASEZA) as a registered and authorized entity to exercise service activities under number (1101021601) dated February 16, 2001. In their extraordinary meeting held on December 23, 2012, Company's general assembly decided to increase the company's capital by 10,000,000 JD to reach 31,500,000 JD 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 (Note 18).

On February 16, 2001, the company was registered and licensed at Aqaba special economic Zone authority under no. (1101021601) so as to be able to provide its services.

The company performs all its commercial activities in Aqaba special economic Zone except for some administrative activities which are performed in Amman.

The accompanying financial statements were approved by board members in their meeting held on 29 April 2018 and it's subject to the group general assembly approval.

The Company's main objectives include the followings:

- Import and export.
- Managing, operating, ownership, investments, and rental of all kinds of hotels.
- Ticketing office to book and buy tickets (Travel Indoor and Outdoor) under the Jordanian law.
- Borrowing needed money to operate most of their activities by obtaining loans from Jordan or other countries.
- Apartment's rentals.
- Mortgage on movable and immovable assets.
- Buying land, building buildings and selling apartments.
- Managing and contributing in affiliate companies.
- Borrowing from Banks.

2) BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with international financial reporting standards (IFRS).

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis of accounting except for the financial assets and financial liabilities which are measured at amortized cost.

(c) Functional and presentation currency

The consolidated financial statements are presented in Jordanian Dinars, which is the Group's functional and presentation currency.

(d) Use of estimates.

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

**JORDAN PROJECTS FOR TOURISM DEVELOPMENT
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

In particular, information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is summarized as follows:

- Management periodically reassesses the economic useful lives of tangible assets based on the general condition of these assets and the expectation for their useful economic lives in the future.
- Management frequently reviews the lawsuits raised against the group based on a legal study prepared by the group's legal advisors. This study highlights potential risks that the group may incur in the future.
- A provision for doubtful debts is taken on the basis and estimates approved by management in conformity with International Financial Reporting Standards (IFRS).
- Management estimated the recoverable amount of the other financial assets to determine whether there was any impairment in its value.
- Management frequently reviews investment properties to assess any impairment in its value.
- Management estimates the provision for income tax in accordance with the prevailing laws and regulations.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- 1- In the principal market for the asset or liability, or
- 2- In the absence of a principal market, in the most advantageous market for the asset or liability

The asset or liability measured at fair value might be either of the following:

- 1- A stand-alone asset or liability; or
- 2- A group of assets, a group of liabilities or a group of assets and liabilities. A number of the Group's accounting policies (for example a cash generating units for trading activities) and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

3) BASIS OF CONSOLIDATED FINANCIAL STATEMENTS

**JORDAN PROJECTS FOR TOURISM DEVELOPMENT
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements comprise the consolidated financial statements of Jordan Projects for Tourism Development “the parent company” and its subsidiaries, which are subject to its control. Subsidiaries are entities controlled by the Group.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Thus, the principle of control sets out the following three elements of control:

- 1- Power of the investor over the investee;
- 2- Exposure, or rights, to variable returns to the investor from its involvement with the investee; and
- 3- The ability of the investor to use power over the investee to affect the amount of the investee and its returns.

The consolidated financial statements of the subsidiaries are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

The Parent Company should reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three above mentioned elements.

On loss of control, the parent-subsidiary relationship ceases to exist. The parent no longer controls the subsidiary's individual assets and liabilities, therefore, the parent company:

The financial statements prepared for the subsidiaries on the same financial year of the Parent Company and using the same accounting policies adopted by the Parent Company, one of the subsidiary use accounting policies other than those adopted in the consolidated financial statements for similar transactions and events in similar circumstances, appropriate adjustments are made to that Group subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the International Financial Reporting Standards.

The consolidated financial statement prepared for the subsidiary company for the same parent company fiscal year and by use the same accounting policies adopted from the parent company.

Value of non-controlling interest should be evaluated on the date of purchase based on their proportion of net assets

Balances, transactions and unrealized profits and expenses resulted from transactions within the group are eliminated when preparing these consolidated financial statement.

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- The consolidated financial statement comprise of the company's financial statements and the following subsidiaries.

Company Name	Percentage of ownership %	Nature of operation	Location
Aqaba gulf constructions	100	Contracting and construction work	Jordan - Aqaba Special Economic Zone
Tala beach for services and Maintenance	100	collection and recycling of west	Jordan - Aqaba Special Economic Zone
Amwaj al Aqaba for Managing projects and services	100	Projects and logistics management	Jordan-Amman
Tala beach for investments	100	Buying land and set up projects	Jordan-Amman
Jordan Hotels Holding AG	100	Managing and operating hotels	Switzerland
Jordan Hotel I BVI	100	Tourist investments	British Virgin Islands
Jordan Hotel II BVI	100	Tourist investments	British Virgin Islands
Jordan hotel IV BVI	100	Tourist investments	British Virgin Islands
Jordan Golden Beach – BVI	100	Tourist investments	British Virgin Islands
Moon beach for tourism investment	100	Managing and operating hotels	Jordan - Aqaba Special Economic Zone
Golden beach for tourism hotels	100	Managing and operating hotels	Jordan - Aqaba Special Economic Zone
Jordan united for Tourism Investment	60	Managing and operating hotels	Jordan – Aqaba Special Economic Zone.
Sama Aqaba company	100	Managing and operating hotels	Jordan - Aqaba Special Economic Zone

- The operations for the subsidiaries is recorded in the consolidated statement of profit or loss and other comprehensive income from the date of acquisition, which is the same date that parent company control the subsidiary company, and results of disposed subsidiaries of gain and loss and other comprehensive income should be consolidated with parent company till date of disposal and this is the same date which parent company lose control.
- The following table represents the financial position and financial performance of the subsidiaries as of December 31, 2017:

Jordanian Dinar	December 31, 2016			
	Total Assets	Total Liabilities	Total Revenue	Profit (loss) for the period
Aqaba gulf constructions	17,817	718,934	-	-
Tala beach for services and Maintenance	3,578,514	2,904,560	3,419,546	357,393
Amwaj al Aqaba for Managing projects and services	103,997	1,500	-	(1,522)
Tala beach for investments	500	4,740	-	(1,500)
Jordan Hotels Holding AG	385,219	4,749,291	-	(4,594,124)
Jordan Hotel I BVI	22,500,000	22,502,588	-	(1,773)
Jordan Hotel II BVI	7,500,000	7,502,588	-	(1,773)
Jordan hotel IV BVI	-	-	-	(1,773)
Jordan Golden Beach – BVI	5,655,745	5,655,745	-	(1,773)
Moon beach for tourism investment	22,627,175	8,075,170	5,437,325	(1,269,272)
Golden beach for tourism hotels	12,107,235	23,470,121	3,180,557	(525,276)
Jordan United for Tourism Investment	500	-	-	-
Sama Aqaba company	241,673	363,029	-	(1,485)

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- Aqaba gulf constructions has not conducted any trading activities for the year ended December 31, 2017. Moreover, a liquidation decision for Aqaba gulf constructions company was taken on April 21, 2011, and it is still under liquidation. And on the March 27, 2016 a decision was made to stop the voluntary liquidation and move to the Compulsory liquidation.

4) Significant Accounting Policies

The accounting policies applied by the group in these consolidated financial statements for the year ended December 31, 2017 are the same as those applied by the group in its consolidated financial statements for the year ended December 31, 2016, except for the following International Financial Reporting Standards amendments and improvements that become effective after January 1, 2017:

- Amendments on IAS (7) : Disclosure Initiative
- Amendments on IAS (12) : Recognition of Deferred Tax Assets for Unrealized Losses
- Amendments on IFRS (12) : Ownership of other firms disclosure: Annual Improvements to IFRSs 2014- 2016 Cycle.

The application of these amended standards did not have a significant effect on the Company's Financial statements.

The following are the significant accounting policies applied by the Company:

a) Property and equipment

- Recognition and measurement:

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses (if any).

Cost includes all expenditures that are directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separated items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized on a net basis within "other income" in the consolidated statement of profit or loss and other comprehensive income.

- Subsequent costs:

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

The costs of the day to day servicing of property and equipment are recognized in the statement of comprehensive income as incurred.

- Depreciation:

Depreciation is recognized in the statement of profit or loss and other comprehensive income on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. And cost of leased assets should be depreciated over life of the assets or leased period which is lesser.

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The estimated annual depreciation rates of property and equipment for the current and previous year are as follows:

	<u>Depreciation Rate</u>
Building, vessels berth, and swimming pools	%2
Furnitures	10 – 15%
Decoration trees	10 – 15%
Vehicles	%15
Tools and equipments	%15
Computers	%20
Others	10 – 15%

- The group reviews the useful lives and depreciation for the property and equipment at the end of each financial year.

b) Investment in property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investments Property is recognized initially at cost. Their fair values are disclosed in the notes of the consolidated financial statements.

The estimated annual depreciation rates of investment property for the current and previous year are as follows:

<u>Investment property item:</u>	<u>Depreciation Rate</u>
Building and constructions	%2

c) Impairment

Financial Assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future consolidated cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future consolidated cash flows discounted at the asset's original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in the consolidated statement of consolidated Profit or Loss and Other Comprehensive Income.

Non-Financial Assets

The carrying amounts of the group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

All impairment losses are recognized in the consolidated statement of Profit or Loss and Other Comprehensive Income.

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d) Revenues recognition

Revenue from Selling Land and Apartments

Revenue from the sale of lands and apartments is recognized at the fair value of the consideration received when all the following conditions are met:

- The Company has transferred all significant risks and rewards of ownership of the lands and apartments to the buyer;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership of the lands nor effective control over those land and sold apartments;
- The amount of revenue can be reliably measured;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The cost incurred or to be incurred can be reliably measured.

Hotels revenues:

Revenue is measured at the fair value of the considerations received or receivable and recognized when the services are rendered

Other revenues:

Revenue and expenses are recognized based on accrual basis.

Operational leases income is recorded using the straight-line method over the lease term. Initial direct costs incurred in arranging and negotiating an operating lease are added to the carrying amount of the leased assets and amortized on a straight-line basis over the lease period, The group recognize un realized amount as an unearned revenues.

Interest revenue and expenses are recognized in statement of profit or loss and other comprehensive income using effective interest rate according to the accrual basis. Effective interest rate represents the rate at which receipts and future payments are deducted through the expected life of financial assets or liabilities (or less) to reach the carrying amount of the financial asset or liability. When calculating effective interest rates, the Company estimates future cash flows taking into account the contractual terms of the financial instrument, not future credit losses.

e) Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs.

f) Inventory

Inventory is measured at the lower of cost or net realizable value. The cost of inventory is determined based on the weighted average method, including costs incurred in bringing inventory to its existing location and conditions.

g) Leased assets or financial leasing contracts

- Leases are classified and contract terms that require the tenant to assume substantially all of the risks and benefits of ownership as finance leasing.
- Upon initial recognition, the leased assets are measured leasing contracts amount equal to the fair value of the asset or the present value of the minimum lease payments, whichever is less.
- Subsequent to initial recognition, are accounted for these assets following the accounting policy applicable to those assets according to their nature.
- It is considered other leases as operating leases and are not shown in the consolidated statement of financial position of the Company.

h) Projects

Projects are measured at cost or net realizable cost which is lower, Cost includes all costs directly related to a land developments and apartments are available for sales, and projects under constructions, Costs are measured using weighted average, Amount of net collected amount represent selling price of these projects less all direct expenses that are necessary to complete the project and sales process.

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i) Loans

The group initially recognizes loans at its fair value less issuance cost incurred to obtain the loan, and initial to recognition loans are measured at amortized cost using the effective interest method, finance cost over long term loans granted to the company for the purpose of financing projects under construction is capitalized as portion of project cost.

j) Finance expenses

Finance expenses comprise interest expense on borrowings. All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the consolidated statement of profit or loss and other comprehensive income using the effective interest method.

k) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

l) Offsetting

Financial liabilities are set off against financial assets, and the net amount is shown in the consolidated financial position only when the obliging legal rights are available or when settled on net basis or the realization of assets or settlement of liabilities is done at the same time.

m) Income tax

- Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in statement of profit or loss and other Comprehensive income except to the extent that it relates to a business combination, or items recognized directly in profit or loss and other Comprehensive income or in other consolidated comprehensive income.
- Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
- Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the consolidated reporting date.
- Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.
- A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.
- Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

n) Foreign currencies

- Transactions in foreign currencies during the year are translated at exchange rates at the dates of the transactions.
- Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Jordanian Dinar at the exchange rate at that date.
- The foreign currency gain (loss) on monetary items is the difference between amortized cost in Jordanian Dinar at the beginning of the year, adjusted for effective interest rate and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

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- Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to Jordanian Dinar at the exchange rate at the date that the fair value was determined.
- Foreign currency differences arising on retranslation are recognized in the statement of profit or loss and other comprehensive income.

o) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

5) New standards and interpretations not yet adopted

The following new and revised IFRSs have been issued but are not effective yet, the Company has not applied the following new and revised IFRSs that are available for early application but are not effective yet:

New standards

- International Financial Reporting Standards (9): Financial Instruments (effective on January 1st, 2018 except for Insurance Companies which will be effective on January 1st, 2021 with earlier application permitted).
- International Financial Reporting Standards (15): Revenue from Contracts with Customers (effective on January 1st, 2018 with earlier application permitted).
- International Financial Reporting Standards (16): Leases (effective on January 1st, 2019 with earlier application permitted).

Amendments

- IFRS (2): Classification and Measurements of Share-Based Payments (effective on January 1st, 2018 with earlier application permitted).
- IFRS (10) and IAS (28): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. (Date to be determined).
- IAS (40): Clarify Transfers of Property to, or from, Investment Property (effective on January 1st, 2018).
- Annual Improvements to IFRSs 2014 –2016 Cycle – Amendments on IFRS (12) Ownership of other firms disclosure.
- Annual Improvements to IFRSs 2014 –2016 Cycle – Amendments on IFRS (1) adopting IFRS for the first time and IAS (28) Investment in associate and joint venture (effective on Jan 1st 2018).
- IFRIC 22 Foreign Currency Transactions and Advance Consideration.
- IFRIC 23 Uncertainty over Income Tax Treatments.

The Company anticipates that each of the above standards and interpretations (amendments) will be adopted in the consolidated financial statements by its date mentioned above without having any material impact on the Company's consolidated financial statements.

Effect of application of International Financial Reporting standard No. (9):

The Company is required to apply IFRS 9 "Financial Instruments" starting from January 1st, 2018. Accordingly, the Company has estimated the expected impact of the adoption of the standard on the consolidated financial statements which is immaterial. The Company will book the full-expected impact taking into consideration the full estimates and tests required by the standard when issuing the Company's consolidated financial statements for the period will be ended on the 31st of March 2018.

The following are the most important aspects of application:

Classification and measurement of financial assets:

The Company's management does not expect any material impact as a result of applying the classification and measurement according to IFRS 9 requirements.

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Classification and measurement of financial liabilities:

IFRS (9) has retained the requirements of IAS (39) regarding the classification of financial liabilities. IAS 39 (Revised) requires recognition of the differences in the assessment of financial liabilities classified as financial liabilities at fair value through profit or loss in the consolidated statement of profit or loss, whereas IFRS (9) requires:

Recognition of differences in the assessment of financial liabilities classified as financial liabilities at fair value through consolidated statement of profit or loss as a result of changes in credit risk in the consolidated statement of comprehensive income.

The remaining amount of fair value valuation differences is recognized in the consolidated statement of profit or loss.

The Group has not classified any financial liabilities in financial liabilities at fair value through profit or loss. Moreover, there is no intention by the management to classify any financial liabilities in this category. Therefore, there is no impact from the application of IFRS (9) to the consolidated financial statements.

Impairment of financial assets

IFRS (9) replaces the 'incurred loss' model in IAS (39) with a forward-looking 'expected credit loss' model. Which requires the use of estimates and judgments to estimate economic factors. The model will be applied to all financial assets - debt instruments which classified as amortized cost or at fair value through consolidated statement of comprehensive income or at fair value through profit or loss.

Impairment losses will be calculated in accordance with the requirements of IFRS (9) in accordance with the following rules:

12 month impairment loss: The expected impairment will be calculated for the next 12 months from the date of the consolidated financial statements.

Impairment losses for the lifetime of the instrument: The expected impairment of the life of the financial instrument will be calculated until the maturity date from the date of the consolidated financial statements.

The expected credit loss mechanism depends on the probability of default (PD), which is calculated according to the credit risk and future economic factors, the loss in default (LGD), which depends on the value of the existing collateral, the exposure at default (EAD).

The Group's management does not expect significant impact as a result of applying the requirements of IFRS 9.

6) SEGMENT REPORTING

The Group has several sectors as described below and are strategic sectors in the group.

Strategic departments provide different products and services, and are managed separately because they require different technical and marketing strategies.

Information relating to the results of each sector is included in the report below. Performance is measured based on the profit segment before tax, as reported in internal management reports reviewed by the Group's management. The profit of the segment is used to measure performance where management believes that this information is most important in evaluating the results of certain segments relating to other entities operating within these segments.

When providing information on a geographical basis, segment revenue is based on the geographical location of the customers and the segment's assets are based on the geographical location of the asset.

A- Operating Segment

The Group operates of the below main segments:

- Hotels
- Real-estate projects
- Asset and property management
- Management Operation
- Land development
- Unallocated assets

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B- Geographical Segment

The group maintain its operation inside Hashemite Kingdom of Jordan

<i>Jordanian Dinar</i>	Hotels	Real estate projects	Asset and property management	Management Operation	Land development	Unallocated assets	Total
For the year ended December 31, 2017							
Segment revenue – net	8,617,881	1,970,350	1,459,944	5,875,083	-	-	17,923,258
Cost of revenue	(5,834,339)	(1,531,680)	(1,180,243)	(3,010,632)	-	-	(11,556,894)
Segment gross profit	2,783,542	438,670	279,701	2,864,451	-	-	6,366,364
General Administrative expenses and employees expenses	(2,218,878)	(75,208)	(754,132)	(2,395,476)	-	-	(5,443,694)
Finance cost	(1,270,194)	-	(2,505,977)	(55,604)	-	-	(3,831,775)
Depreciation and amortization	(1,092,294)	-	(274,233)	(429,850)	-	-	(1,796,377)
Provisions expenses	-	-	-	-	-	(5,583,541)	(5,583,541)
Other income	-	-	-	82,320	-	-	82,320
(Loss) before tax	(1,797,824)	363,462	(3,254,641)	65,841	-	(5,583,541)	(10,206,703)
Deferred tax income	-	-	-	-	-	(18,731)	(18,731)
(Loss) after tax	(1,797,824)	363,462	(3,254,641)	65,841	-	(5,602,272)	(10,225,434)
Segment total assets	75,179,468	6,405,019	14,740,862	3,578,513	21,009,247	-	120,913,109
Segment total liabilities	(54,173,877)	(2,330,307)	(9,750,000)	(2,904,000)	-	-	(69,158,184)
Net Segment assets	21,005,591	4,074,712	4,990,862	674,513	21,009,247	-	51,754,925
<i>Jordanian Dinar</i>	Hotels	Real estate projects	Asset and property management	Management Operation	Land development	Unallocated assets	Total
For the year ended December 31, 2016							
Segment revenue – net	9,630,039	6,800,654	1,481,803	3,548,422	-	370,783	21,831,701
Cost of revenue	(4,600,935)	(4,292,860)	(542,774)	(2,391,730)	-	-	(11,828,299)
Segment gross profit	5,029,104	2,507,794	939,029	1,156,692	-	370,783	10,003,402
General Administrative expenses and employees benefits	(2,274,919)	(180,500)	(40,820)	(1,682,726)	-	(1,301,339)	(5,480,304)
Finance cost	(771,328)	-	(400,534)	(2,919)	-	(1,747,463)	(2,922,244)
Depreciation and amortization	(1,138,675)	-	(280,737)	(509,728)	-	(30,226)	(1,959,366)
Other income	48,744	-	-	1,025,815	-	-	1,074,559
Income before tax	892,926	2,327,294	216,938	(12,866)	-	(2,708,245)	716,047
Deferred tax income	-	-	-	-	-	423,759	423,759
Income after tax	892,926	2,327,294	216,938	(12,866)	-	(2,284,486)	1,139,806
Segment total assets	86,377,381	6,405,019	8,006,487	2,351,982	21,009,247	-	124,150,116
Segment total liabilities	(49,984,207)	(2,330,307)	(7,456,258)	(2,358,551)	-	-	(62,129,323)
Net Segment assets	36,393,174	4,074,712	550,229	(6,569)	21,009,247	-	62,020,793

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7) PROPERTY AND EQUIPMENT

<i>Jordanian Dinar</i>	Land	Buildings	Furniture	Vehicles	Equipment	Vessels Berth	Swimming pools	Decoration trees	Computers	Others	Projects under construction	Total
2017												
Cost												
Balance as of January 1, 2017	38,027,286	39,459,818	1,525,858	1,584,447	1,608,811	3,888,816	4,107,978	292,144	930,820	1,229,721	271,351	92,927,050
Addition	-	-	24,320	-	-	-	-	-	-	-	-	24,320
Balance as of December 31, 2017	38,027,286	39,459,818	1,550,178	1,584,447	1,608,811	3,888,816	4,107,978	292,144	930,820	1,229,721	271,351	92,951,370
Accumulated Depreciation												
Balance as of January 1, 2017	-	2,414,225	963,953	1,261,778	1,552,929	885,019	666,407	230,433	757,335	1,092,425	-	9,824,504
Depreciation for the year	-	855,026	220,832	92,204	55,882	102,178	99,238	61,711	53,987	58,767	-	1,599,825
Balance as of December 31, 2017	-	3,269,251	1,184,785	1,353,982	1,608,811	987,197	765,645	292,144	811,322	1,151,192	-	11,424,329
Net book value as of December 31, 2017	38,027,286	36,190,567	365,393	230,465	-	2,901,619	3,342,333	-	119,498	78,529	271,351	81,527,041
2016												
Cost												
Balance as of January 1, 2016	38,027,286	39,445,090	1,488,063	1,584,447	1,530,279	3,888,816	4,107,978	292,144	911,684	1,229,721	-	92,505,508
Addition	-	14,728	43,195	-	78,532	-	-	-	18,761	-	271,351	426,568
Disposal	-	-	(5,400)	-	-	-	-	-	375	-	-	(5,025)
Balance as of December 31, 2016	38,027,286	39,459,818	1,525,858	1,584,447	1,608,811	3,888,816	4,107,978	292,144	930,820	1,229,721	271,351	92,927,050
Accumulated Depreciation												
Balance as of January 1, 2016	-	1,557,199	783,361	1,192,094	1,305,633	793,731	575,119	109,048	706,348	1,044,570	-	8,067,103
Depreciation	-	857,026	185,992	69,684	247,296	91,288	91,288	121,385	50,987	47,855	-	1,762,802
Disposal	-	-	(5,400)	-	-	-	-	-	-	-	-	(5,400)
Balance as of December 31, 2016	-	2,414,225	963,953	1,261,778	1,552,929	885,019	666,407	230,433	757,335	1,092,425	-	9,824,504
Net book value as of December 31, 2016	38,027,286	37,045,593	561,905	322,669	55,882	3,003,797	3,441,571	61,711	173,485	137,296	271,351	83,102,546

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8) PROJECTS AND LANDS AVAILABLE FOR SALE AND PROJECTS READY FOR TRANSFER

This account consist of:

<i>Jordanian Dinar</i>	December 31	
	2017	2016
Lands available for sale *	19,871,669	19,871,669
Apartments and villas available for sale **	3,213,074	3,213,074
Less: Impairment provision on Villas Phase III	(729,616)	(729,616)
	<u>22,355,127</u>	<u>22,355,127</u>

*This item represents the cost of the developed lands with an area of 2,262 squares, and consists of the original land cost plus developing costs. Moreover, part of the developing costs is amortized and transferred to cost of sales and/or projects costs according to the percentage of sold lands areas and/or areas of lands used in building sold apartments to the total remaining lands areas:

<i>Jordanian Dinar</i>	December 31	
	2017	2016
Lands Cost	5,718,202	5,718,202
Net capitalized development cost ***	14,153,467	14,153,467
	<u>19,871,669</u>	<u>19,871,669</u>

* **Total development costs represent direct cost of construction and its directly related to the contractors work, engineering and business related to these projects, and the capitalized borrowing cost.

- These assets are mortgaged to Jordan Kuwait Bank with amount of 11.68 million JDs against loans granted to the group.

***This represents apartments sold but not transfer ownership to the buyers yet. Furthermore, the selling revenue and cost of the sold apartments are recognized when all the revenue recognition criteria are met. (Note 4-D).

9) PROJECTS UNDER CONSTRUCTION

<i>Jordanian Dinar</i>	For year ended in December	
	2017	2016
Land development	42,460	42,460
Golf area	322,581	322,581
Entertaining center	180,786	180,786
Cabanas	-	860,432
Less: Provision of impairment	(500,000)	(500,000)
	<u>45,827</u>	<u>906,259</u>

10) LEASED ASSETS- FINANCE LEASE

Leased contracts which contractual terms require the lessee to materially bear all of the risk and rewards of these assets are classified as finance lease.

This item represent finance lease back of buildings sold in 2015, In which Jordan projects for tourism developments sold these building for 8,300,000 JD's and then they signed a lease back agreement with the new owner, and this lease agreement state that lessee has the right to purchase assets after completion of lease period by adding margin of gain in addition to selling price identified in the agreement.

At initial recognition, the leased assets by finance lease is measured at a lower of the fair value of these assets or the present value of the minimum lease payments. Note that these building were recognized at its present value of minimum lease payments after deducting accumulated depreciation.

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The below table show calculation of the capital lease assets- Finance lease at its net book value:

<i>Jordanian Dinar</i>	As of December 31,	
	2017	2016
Lease assets- Finance lease at cost	5,605,044	5,605,044
(less): accumulated depreciation	(381,341)	(272,137)
Book Value as of December 31,	5,223,703	5,332,907

Depreciation for the finance lease assets using straight-line method over useful life of the assets, Expense of depreciation are recognize in statement of profit or loss and other comprehensive income.

Lease obligation as of December 31, 2017 represented as below:

<i>Jordanian Dinar</i>	Future value of minimum lease payments	Interest	Present value of lease payments
Less than year	800,000	219,644	580,356
Between 1–5 years	3,440,000	417,340	3,022,660
More than 5 years	120,000	4,517	115,483
	4,360,000	641,501	3,718,499

Lease obligation details as of December 31, 2016 represented below:

<i>Jordanian Dinar</i>	Future value of minimum lease payments	Interest	Present value of lease payments
Less than year	800,000	275,544	524,456
Between 1–5 years	2,400,000	512,581	1,887,419
More than 5 years	1,960,000	128,920	1,831,080
	5,160,000	917,044	4,242,955

11) INVESTMENT PROPERTY-NET

<i>Jordanian Dinar</i>	Commercial shops and stores	Royal diving club and hotel	Total
2017			
Cost:			
Balance as of January 1, 2017	3,103,656	1,857,229	4,960,885
Addition	-	-	-
Balance as of December 31, 2017	3,103,656	1,857,229	4,960,885
Accumulated Depreciation:			
Balance as of January 1, 2017	805,874	630,503	1,436,377
Depreciation	57,240	30,108	87,348
Balance as of December 31, 2017	863,114	660,611	1,523,725
Net Book Value As of December 31, 2017	2,240,542	1,196,618	3,437,160

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<i>Jordanian Dinar</i>	Commercial shops and stores	Royal diving club and hotel	Total
2016			
Cost:			
Balance as of January 1, 2016	3,103,656	1,857,229	4,960,885
Addition	-	-	-
Balance as of December 31, 2016	3,103,656	1,857,229	4,960,885
Accumulated Depreciation:			
Balance as of January 1, 2016	748,417	600,395	1,348,812
Depreciation	57,457	30,108	87,565
Balance as of December 31, 2016	805,874	630,503	1,436,377
Net Book Value As of December 31, 2016	2,297,782	1,226,726	3,524,508
(less): impairment provision	-	(600,000)	(600,000)
Reversal of provision	-	600,000	600,000
	2,297,782	1,226,726	3,524,508

- The fair value of investment property is estimated through the consideration and amendment of its cost according to several factors such as the fair value of similar properties, inflation rates, costs of materials used in construction and other economic variables. The estimated fair value of investment property is fall around JD 11 million during the year 2016.

12) INVENTORY

<i>Jordanian Dinar</i>	December 31	
	2017	2016
Construction materials	525,059	508,419
Food and beverage	228,305	248,198
(Less): provision for slow moving inventory	(200,000)	(200,000)
	553,364	556,617

13) OTHER DEBIT BALANCES

<i>Jordanian Dinar</i>	December 31	
	2017	2016
Advance payments	91,537	67,887
Other assets	326,079	553,655
Prepaid expenses	2,512,273	1,661,356
Refundable deposits	420,519	398,983
Income tax deposits	136,115	136,115
	3,486,523	2,817,996

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14) TRADE RECEIVABLES

	December 31	
<i>Jordanian Dinar</i>	2017	2016
Trade receivables	3,632,008	4,072,035
*Less: Provision for doubtful debts	(562,229)	(406,683)
	3,069,779	3,655,352
Checks under collection	72,402	977,116
Other	161,190	169,392
	3,303,371	4,811,860

* The movement of the provision for doubtful accounts is as follows:

<i>Jordanian Dinar</i>	2017	2016
Balance at the beginning of the year	406,683	764,489
Reversal from provision	-	(357,806)
Provision expenses for the year	155,546	-
Balance at the end of the year	562,229	406,683

The following table represent client receivables aging:

	December 31	
<i>Jordanian Dinar</i>	2017	2016
Less than 30 days	717,167	712,446
31 days – 60 days	330,847	307,013
61 days – 90 days	160,493	210,411
91 days – 120 days	124,396	224,140
More than 120 days	2,299,105	2,618,025
	3,632,008	4,072,035

15) CASH AND CASH AT BANKS

	As of December 31	
<i>Jordanian Dinar</i>	2017	2016
Cash on hands	51,631	42,013
Cash at banks	425,016	206,521
Cash on hands and at banks	476,647	248,534

16) DEFERRED CHECKS AND NOTES PAYABLE

This note shows the details of deferred checks and notes payable issued by the group as follows:

	As of December 31	
<i>Jordanian Dinar</i>	2017	2016
Governmental deferred checks	1,257,220	649,312
Service providers deferred checks	1,537,735	444,412
Suppliers deferred checks	817,687	516,690
Contractors deferred checks	605,733	-
Notes payable	150,000	150,000
	4,368,375	1,760,414

Appears in the Consolidated Balance Sheet as:

Deferred checks and notes payable- Short Term	3,220,181	1,610,414
Deferred checks and notes payable- Long Term	1,148,194	150,000
	4,368,375	1,760,414

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17) TRADE PAYABLES

The details of trade payables for the group are as follows:

<i>Jordanian Dinar</i>	As of December 31	
	2017	2016
Governmental trade payables	1,320,471	230,296
Service providers trade payables	659,920	657,626
Suppliers trade payables	6,173,739	5,652,638
	8,154,130	6,540,560

18) LOANS

This note shows the information about the contractual terms of loans and bank facilities which carry interest and measured at amortized cost.

<i>Jordanian Dinar</i>	Short Term		Long Term	
	December 31		December 31	
	2017	2016	2017	2016
Investment Bank	-	1,854,900	10,119,180	8,547,003
Jordan Kuwait Bank – JOD	2,799,959	951,306	11,227,280	12,887,682
Jordan Kuwait Bank – USD	480,908	-	1,609,535	2,948,438
Audi Bank– JOD	1,076,000	1,749,846	3,714,000	4,077,500
Audi Bank– USD	1,054,260	-	3,710,197	4,077,500
	5,411,127	4,556,052	30,380,192	32,538,123

The following table shows the details of the loans, interest rates and maturity dates:

Bank	Loan Currency	Interest Rate	Maturity Dates
Investment Bank *	Jordanian Dinar	10%	24 quarterly installments starting on February 2016
Jordan Kuwait Bank **	Jordanian Dinar	9.5%	20 quarterly installments starting on September, 30 2018
Jordan Kuwait Bank **	US Dollar	6%	20 quarterly installments starting on September, 30 2018
Audi Bank***	Jordanian Dinar	9.5%	14 semiannual installments starting on January 1, 2018
Audi Bank ***	US Dollar	Libor rate 6 months + 3.5% on annual basis providing that interest rate shouldn't fall under 5.5%	13 semiannual installments starting on January 1, 2017

Guarantees

*the loan was granted against a first degree mortgage for an amount of JD's 12 million and a second class collateral for an amount of JD's 3 million on the company's land No.140 in Aqaba, Ras Al Yamaniah No.2. (Objectives of this loan is to finance company's construction works).

** Guarantees for Jordan Kuwait Bank loan the company provided a first degree mortgage for JD's 11,684 thousand including 8 villas , building No. 12 and a other shops , objectives of this loan is to finance company's construction works ,In addition the group provided other mortgage for land No.33 Ras Al Yamaniah No. 2 owned by the company .

*** Guarantees for Audi Bank loan the company provided a first degree mortgage land No. 31 and related construction for this land, Ras Al Yamaniah No. 2 amount of JD's 16.5 million in addition to personal guarantee from 3 Shareholders.

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19) SHAREHOLDER'S LOAN

<i>Jordanian Dinar</i>	As of December 31	
	2017	2016
Abu Jaber- Brothers' Company*	6,840,587	6,483,968
Appears in the Financial Statements as:		
Current Liabilities	3,000,000	3,000,000
Non-Current Liabilities	3,840,587	3,483,968
	6,840,587	6,483,968

*This loan is granted by Abu Jaber-Brother's company to a subsidiary (Shareholder and a member of the board), the purpose of this loan is to provide liquidity to finance all the investment activities for Moon Beach Tourism Investments (Subsidiary).

Following to the agreement signed, parties signed an appendix on May 6, 2017 which states the following terms:

- Interest rate and terms of repayments of the loan balance are adjusted as of 1/1/2015 to become in the amount of 6,483,968.799 JD, The parties agreed according to the following provisions:
- A- In the event that the debtor (Moon Beach Company for Tourism Investments) and / or any of the other companies within the group of companies owned and / or controlled by Jordan Tourism Projects Development Company pay amount of 3 million Jordanian Dinars to the creditor (Abu Jaber Brothers Company) in 2017, Then creditor agrees to calculate a new interest rate of 5.5% starting from January 1, 2018 on the balance of the balance of the loan after the payment of the amount of three million Jordanian Dinars.
- Regarding to the rest of the balance of the debt, it should be paid within two years and on a four equal installments from the date of the above payment in addition to the interest accrued so that the first installment is due on 1/6/2018. The remaining installments are due after (6) months from the maturity date of each installment till the repayment of the whole amount.
- B- If the debtor (Moon Beach Investment Company) fails to pay the full amount of the above mentioned amount of JD 3 million during 2017, the following arrangements shall be followed:
 - The creditor agreed to compute a new loan rate of 5.5% as of January 1, 2017 on the balance of the loan.
 - 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 should be 30/6/2018 with amount of 1,500,000 Jordanian Dinar in addition to the accrued interest.
 - The rest of the outstanding amount of 1,500,000 Jordanian Dinars in addition to the accrued interest should be paid every six months until full payment.
 - If the debtor fails to pay any payment on the due date, it shall be considered that the rest of the installments and the amounts not due, including the accrued interest, are due immediately.
 - The above interest rate and / or agreed compensation is annual.

20) OTHER CREDIT BALANCES

<i>Jordanian Dinar</i>	December 31	
	2017	2016
Project management	791,098	674,847
Other liabilities provision (Note 21-3)	5,111,200	500,924
Accrued expenses	1,169,830	906,550
Advance payments from customers	417,121	141,383
Others	219,910	96,097
	7,709,159	2,319,801

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21) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Related parties include key shareholders, executive management members, key managers and the associate company. The Group's management has approved the pricing policies and terms of transactions with the related parties.

(21-1) Due from related parties

<i>Jordanian Dinar</i>	Nature of Relationship	Nature of Transaction	Size of Transaction		Balance as of December 31*	
			2017	2016	2017	2016
	Executive Management and Key Managers	Apartment Services				
Board Members and Directors			10,583	53,663	64,247	53,663
					<u>64,247</u>	<u>53,663</u>
(21-2) Due to related parties						
United Insurance Company**	Sister Company	Services	-	832,941	832,941	-
					<u>832,941</u>	<u>-</u>

* The balances above do not receive any interest and do not have a fixed repayment schedule.

** There is no existing balance as at 31 December 2016 for United Insurance Company as the Group paid deferred checks but during the year 2017 these checks were returned. In its meeting held on 29 November 2017, the Board of Directors approved the sale of a villa for the United Insurance Company for JD 875,000, with a market value of JD 900,000. The registration procedures were completed during 2018.

(21-3) Termination of the Oryx Hotel Management Contract Agreement:

Jordan Project for Tourism Development Company and Jordan Holding AG (Subsidiary Company) have terminated the Management Services agreement with Oryx Hotel (The Hotel) owned by the International Cooperation for Investment and Tourism.

It was agreed that Jordan Project for Tourism Development Company pays 4,315,176 Jordanian Dinars, as penalties including the payment of the commitment of the International Cooperation Company for Investment and Tourism with the banks in compensation for the hotel's operating losses, in addition to the expenses of renovating the hotel and paying the debts of the hotel suppliers and providers to the hotel for the original contract period.

In addition to the above mentioned amount, the two parties agreed that Jordan Project for Tourism Development Company will not claim any amounts due from the hotel for the group amounting to JD 778,428 as at March 31, 2018, in exchange of the termination of the hotel management agreement accordingly the total Jordan Project for Tourism Development Company liabilities became 5,093,604 JD and provision has been booked against these liabilities.

The two parties also agreed that:

Jordan Project for Tourism Development Company is committed to sign of the agreement of using Jordan Project for Tourism Development beach and / or its subsidiaries for the benefit of the hotel for one complete year in addition to free transfer of guests.

Jordan Project for Tourism Development Company is committed to cover and pay any lately appeared outstanding obligations owed to the Oryx Hotel. Due to the fact that the basis of the agreement is the adoption of the hotel's trial balance on May 1, 2016, accordingly any differences and increase in debt for suppliers and service providers on May 1, 2016, will be considered as on Jordan Project for Tourism Development commitment provided that these commitments do not exceed (100,000) hundred thousand Jordanian Dinars as a maximum limit.

Jordan Project for Tourism Development Company is committed to provide the hotel with a copy of all contracts signed with the travel and tourism companies previously signed and / or any other companies and / or contracts that constitute commitments to others in the future.

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Jordan Project for Tourism Development Company undertakes not to receive any amounts and / or checks and / or payments from any third party from the date of signing the agreement and also undertakes to deliver any payments received during the month of March to Oryx Hotel directly.

Jordan Tourism Projects Development Company is committed to collect any amounts that the hotel cannot collect from others. In the event that it is unable to collect them, Jordan Tourism Projects Development Company is obliged to pay them to the hotel.

The hotel undertakes to raise its capital to 16,333,320 JD (sixteen million three hundred and thirty three thousand three hundred and twenty dinars) and to register one million shares to the favor of Jordan Tourism Projects Development Company after the completion of all the terms of the management services termination agreement Hotel Orix as agreed between the parties.

There are lawsuits held against International Cooperation for Investment and Tourism Company in the amount of JD 5,700 as at December 31, 2017 dinars in addition to non-determined value of labor lawsuits.

(21-4) Salaries and benefits of senior executive management

The salaries and benefits of senior executive management during the year ended 31 December 2017 amounted to JD 897,117 (31 December 2016: JD 724,463).

(21-5) Shareholder Loan

The Group was granted a loan by Abu Jaber- Brothers to one of the companies, the details of this loan are shown in note (19).

22) CAPITAL AND RESERVES

A. Paid-up Capital

The Company's capital is JD 21.5 million divided into 21.5 million shares at a par value of JD 1 per share. On December 23, 2012, the shareholders' extraordinary General Assembly decided to increase paid-up capital by JD 10 million from JD 21.5 million up to JD 31.5 million through a private underwriting to its shareholders. Moreover, the General Assembly agreed, earlier at the beginning of the year 2015, to amend this decision based on the voting results of 75,83% with the decision. Part of this increase has been covered by 9 million shares. On March 26, 2015, the Company obtained the approval of the Ministry of Industry and Trade, and during November, 2015, the Company was able to complete all the required procedures for increasing paid-up capital.

B. Statutory Reserve

According to Jordanian companies law "22" for the year 1997, which state that company should deduct 10% from its annual income before tax for statutory reserve. Furthermore, the Company continues to deduct the same share annually since the deducted amounts cannot exceed 25% of total paid-up capital.

C. Voluntary Reserve

The amounts accumulated in this account represent transfers from annual net income before taxes at a rate not exceeding 20%. This reserve will be used for the purpose approved by the Board of Directors. Moreover, the General Assembly has the right to distribute the whole reserve or part thereof as dividends to shareholders.

D. Share Premium

This item represents the 2,500,000 premium shares issued as private stock during the year 2006 at JD 3.5 per share, in addition to JD 21 million, representing 9 million premium shares issued during the year of 2015 at a price of JD 3.33 per share after deducting the expenses related to increasing paid-up capital.

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23) REVENUES

<i>Jordanian Dinar</i>	For year ended December 31	
	2017	2016
Sales and rentals of Apartments	3,430,295	8,282,423
Hotels revenue	8,617,881	9,630,039
Service revenue	5,875,082	3,919,239
	17,923,258	21,831,701

24) COST OF REVENUE

<i>Jordanian Dinar</i>	For year ended December 31	
	2017	2016
Cost of apartment sold plus commission	2,711,923	4,291,010
Cost of hotels rooms	849,272	981,276
Water distributing expenses	1,169,802	806,439
Electricity consumed and distributed expenses	1,281,533	1,378,343
Fuel expenses	645,001	457,015
Food and beverage	1,288,115	1,661,324
Villa rental costs	990,000	-
Transportation	153,703	57,233
Contractors expenses	243,700	290,935
Professional fees	108,962	129,684
Management fees	183,149	181,603
Communication	44,603	42,604
Governmental expenses	123,253	55,068
Rental	495,175	399,029
Maintenance	827,698	548,725
Insurance	39,246	67,548
Security expenses	41,100	44,047
Commission	77,833	74,918
Others	282,826	361,498
	11,556,894	11,828,299

25) EMPLOYEES EXPENSES:

<i>Jordanian Dinar</i>	For year ended December 31	
	2017	2016
Salaries and other benefits	2,801,452	2,684,923
Group share in social security	396,485	414,539
Health insurance expense	206,594	111,694
Accommodation allowances and other benefits	498,252	593,692
Transportation and food allowance	313,957	341,340
Others	21,988	54,095
	4,238,728	4,200,283

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26) GENERAL AND ADMINISTRATIVE EXPENSES

<i>Jordanian Dinar</i>	For year ended December 31	
	2017	2016
Rent	96,471	44,788
Stationary	17,138	27,121
Utilities	35,070	41,859
Interrelated Services	170,581	435,074
Professional fees	167,638	89,510
Advertising expenses	173,408	107,046
Promotional events	-	37,449
Insurance	444	21,255
Accommodation and transportation	55,204	55,787
Maintenance	3,966	13,603
Others	485,046	406,529
	1,204,966	1,280,021

27) OTHER REVENUES

<i>Jordanian Dinar</i>	For year ended December 31	
	2017	2016
Reversed provision of doubtful debt	-	357,806
Reversed investment properties provision	-	600,000
Foreign currencies difference	-	13,500
Profit on sale of investment properties	-	35,324
Others	82,320	67,929
	82,320	1,074,559

28) EARNING PER SHARE

<i>Jordanian Dinar</i>	As of December 31	
	2017	2016
Profit for the year (Dinar)	(10,225,434)	1,139,806
Weighted average for number of shares (share)	30,500,000	30,500,000
Earnings per share for the year	(0.34)	0,037
Earning per share are calculated by dividing income for the year over number of shares which equal 30,500,000 shares as of 31 December 2017 and 2016.		

29) TAXES

This amount of income tax expense presented in statement of profit or loss and other comprehensive income consist of:

<i>Jordanian Dinar</i>	2017	2016
Income Tax		
Tax for the year	(18,731)	(16,340)
Deferred tax assets- Tax surplus *	-	440,099
	(18,731)	423,759

*This amount represent deferred taxes due to the accumulated losses related to the parent company as presented in the separate statement of financial position for Jordan projects for tourism developments as of December 31, 2017 which is expected to be used when it's probable that future taxable profits will be available, This amount calculated based on Jordanian tax applied for the company 5% and based on the tax advisor opinion that they will have a benefits of using this deferred tax in the near future.

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Movement on Deferred tax assets for the year:

<i>Jordanian Dinar</i>	For year ended December 31	
	2017	2016
Balance as of January 1,	440,099	-
Balance recognized for the year	-	440,099
	440,099	440,099

Movements on the income tax provision for the year is as follows:

<i>Jordanian Dinar</i>	For the year ended December	
	2017	2016
Balance as of January 1,	219,674	203,334
Provision for the year	18,731	16,340
	238,405	219,674

Jordan Projects for Tourism Development (JPTD): The Company has reached a final settlement with the income and Sales Tax Department up to the year 2012 and submitted its self-assessment statement for the years 2013 and 2014 and It is still under audit by the Income and Sales Tax Department. However, the Department has not issued its final decision on these years. The Company has not submitted the self-assessment statements for the years 2015, 2016 and 2017, and there is an amount due to the Income Tax Department of 83,384 dinars for the years from 2006 to 2008 in the Court of Appeal for Income Tax.

Moon beach for tourism investments: The Company has settled the income tax up to 2011 and has submitted self-assessment statements for the years 2012 to 2017, but still have not yet been reviewed by the Income and Sales Tax Department. In the opinion of the management and the tax advisor of the Company, there is no need to take any provision for income tax for these years and the current year at the date of the consolidated financial statements as at 31 December 2017 due to accumulated losses of the company. The Income and Sales Tax Department - Aqaba Special Economic Zone Authority (ASEZA) has seized Moon Beach Investment Company bank accounts on October 29, 2017, as the Company did not pay its due dues to the Income and Sales Tax Department

Golden Beach for Tourism Hotels: The Company submitted the income tax declaration until 2015 on time but has not yet been reviewed by the Income and Sales Tax Department. However, the company has not yet submitted the income tax for 2016.

30) CONTINGENT LIABILITIES

The contingent liabilities at the date of these consolidated financial statements are as the following:

<i>Jordanian Dinar</i>	December 31	
	2017	2016
Bank guarantees	69,565	69,565
	69,565	69,565

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A- LAWSUITS AGAINST THE GROUP

Lawsuits raised against Jordan projects for tourism development (Parent company):

The company is defendant on labor and other financial claims in an amount of JD 275,086 as of December 31, 2017 (2016: 275,583 JD). According to the Company's management and its legal consultant, there is no need to book additional provisions for these lawsuits.

Moon beach for tourism investments (subsidiary company):

There are lawsuits raised against the company of JD 18,267 as of December 31, 2017 (2016: 31,414 JD), in addition to undetermined amount labor lawsuits. In the opinion of the Company's management and its legal consultant, the provisions taken in the financial statements are adequate to meet any obligations that may result from these lawsuits.

B- LAND PURCHASES AGREEMENT WITH AQABA SPECIAL ECONOMIC ZONE:

On June 18th, 2000, the Company signed an agreement with Aqaba Special Economic Zone authority to purchase a land located on the southern beach of Aqaba to be used for the construction, operation, and management of a comprehensive touristic village composed of hotels, apartments, residential villas, and other related facilities.

The company have the following commitments based on this agreement:

- 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.
- 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.
- 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 or the land is sold to other parties for the purpose of building hotels or other touristic or service projects.

C- ROYAL DIVING CENTER SECURITY AGREEMENT WITH AQABA SPECIAL ECONOMIC ZONE AUTHORITY:

On July 5, 2001, the company signed an agreement with Aqaba Special Economic Zone authority to operate the Royal diving club for the purpose of constructing a comprehensive diving village. According to this agreement, the company will construct and operate a touristic project consisting of a comprehensive diving center. This includes the construction of and/or the operation of and/ or the management of a new diving center, hotel, restaurant, cafeteria, and commercial units.

The duration of the agreement is 49 years, renewable upon the mutual consent of both parties. As per the agreement, the company is subject to the following obligations:

- An annual rent of JD 50,000 is due at the beginning of each year during the term of this agreement. The rent is payable from the beginning of the second year of the agreement. Moreover, the company is exempted from paying the rent in the first year. An increase of 2.5% per year will be applied starting from the end of the fourth year of the agreement.
- The company shall pay 10% of the gross revenue realized from the operation of the restaurant and cafeteria, and 5% of the gross revenue realized from the operation of the hotel and its facilities, effective from the start of operation of any of them. The guarantor company shall bear these expenses.
- Aqaba Special Economic Zone authority shall not bear any losses or risks if the project proves unsuccessful.
- The guarantor company shall take a provision of not less than 4% of the project's revenue to cover promotions and marketing.
- In case the company fails to pay any due amount on time, Aqaba Special Economic Zone authority shall be entitled to interest at a rate of 9% on the payment, calculated from the due date of the amount.

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31) FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk
- Capital management

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The management has overall responsibility for the establishment and oversight of Group's risk management framework.

The Group's risk management policies are established to identify and analyses the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

- Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables, due from related parties and cash at banks.

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

<i>Jordanian Dinar</i>	Carrying amount	
	2017	2016
Cash and Cash at Banks	425,016	206,521
Trade receivable	3,303,371	4,811,860
Other debit balances	974,250	1,156,640
	4,702,637	6,175,021

- Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The group has liquidity problems to meet its short term liabilities which indicate a significant uncertainty about the group's ability to continue as a going concern, The group's future plan is based on reschedule of outstanding loans in addition to proposal of group capital increment in order to obtain sufficient liquidity to face its short and long term obligations.

The accumulated losses of Moon Beach company (Subsidiary company) amounted to 22,014,677 JOD as of the 31st of December 2017 (20,742,328 JOD as of 31st of December 2016) which is equivalent to 104% of paid up capital (99% of paid up capital as of 31st of December 2016), the company current liabilities exceeds the company current assets by 10,944,617 JOD as of 31st of December 2017

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(8,619,224 JOD as of 31st of December 2016), the company have rescheduled its banks debts during previous years and adjust its maturity dates and and its amounts, article (86) of the Jordanian companies law and its amendment provides that "If the company is exposed to a serious losses so that it is unable to meet its obligations towards its creditors, the Board of Directors shall call the extraordinary general assembly of the company to a meeting to issue its decision either by liquidating the company or by issuing new shares or any other resolution that ensures its ability to fulfill its obligations" These issues raise doubts about the Company's ability to continue as a going concern, which depends on the continued support of the shareholder and the parent company, the loan schedule and the success of the future management plan.

The accumulated losses of the Golden Beach company (Subsidiary Company) as of 31st of December 2017 amounted to 4,296,678 JOD which exceed 50% of the company paid up capital , as article (A-75) of the Jordanian companies law number (22) and its amendment 1997 provides "If the losses of the limited liability company exceed half of its capital, its manager or its board of directors shall call the general assembly of the company to an extraordinary meeting to issue its decision either to liquidate the company or to continue its performance in order to rectify its situation. If the public body cannot take a decision on this matter during two meetings The Company Controller shall be given a period of not more than one month to make the decision. If it is unable to do so, the Company shall be referred to the Court for the purpose of liquidating it in accordance with the provisions of the Law". In addition the company's current liabilities exceed its current assets in an amount of 6,436,083 JOD (31st of December 2016:1,126,417 JOD).

<i>Jordanian Dinar</i>	<u>Book Value</u>	<u>Contractual Cash Flows</u>	<u>Less than one year</u>	<u>More than one year</u>
<u>December 31, 2017</u>				
Deferred checks and notes payable	4,368,375	(4,368,375)	(3,220,181)	(1,148,194)
Trade payable	8,154,130	(8,154,130)	(8,154,130)	-
Due to related parties	832,941	(832,941)	(832,941)	-
Other credit balances	7,709,159	(7,709,159)	(7,709,159)	-
Finance lease obligations	3,718,499	(3,718,499)	(580,356)	(3,138,143)
Bank Overdraft	4,853	(4,853)	(4,853)	-
Deferred revenue	1,499,916	(1,499,916)	(1,499,916)	-
Bank loans	35,791,319	(35,791,319)	(5,411,127)	(30,380,192)
Shareholder's loan	6,840,587	(6,840,587)	(3,000,000)	(3,840,587)
	<u>68,919,779</u>	<u>(68,919,779)</u>	<u>(30,412,663)</u>	<u>(38,507,116)</u>

<i>Jordanian Dinar</i>	<u>Book Value</u>	<u>Contractual Cash Flows</u>	<u>Less than one year</u>	<u>More than one year</u>
<u>December 31, 2016</u>				
Deferred checks and notes payable	1,760,414	(1,760,414)	(1,610,414)	(150,000)
Trade payable	6,540,560	(6,540,560)	(6,540,560)	-
Other credit balances	2,319,801	(2,319,801)	(2,319,801)	-
Finance lease obligations	4,242,955	(4,242,955)	(524,456)	(3,718,499)
Deferred revenue	3,467,776	(3,467,776)	(3,467,776)	-
Bank loans	37,094,175	(37,094,175)	(4,556,052)	(32,538,123)
Shareholder's loan	6,483,968	(6,483,968)	(3,000,000)	(3,483,968)
	<u>61,909,649</u>	<u>(61,909,649)</u>	<u>(22,019,059)</u>	<u>(39,890,590)</u>

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- Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the group's profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

- Currency Risk

Currency risk is risk that is directly related to the change in value of financial assets due to the changes in foreign currencies rate.

Foreign currency transactions represent transactions is USD, and Due to the fact that JOD is pegged with USD, the Group's management believes that the foreign currency risk is not material on the consolidated Financial Statements.

- Interest rate risk

At the date of consolidated financial statements, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	2017	2016
<i>Jordanian Dinars</i>		
Fixed rate instruments:		
Financial liabilities	35,791,319	37,916,252
	35,791,319	37,916,252
Variable rate instruments:		
Financial liabilities	6,840,587	9,904,846
	6,840,587	9,904,846

- Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, statutory reserve and retained earnings.

The management monitors the return on capital, which the management defined as net operation income divided by total shareholders' equity.

The management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There have been no changes in the group's approach to capital management during the year neither the group is subject to externally imposed capital requirements.

Debt-to-adjusted Capital Ratio

<i>Jordanian Dinar</i>	2017	2016
Total Debt	69,158,184	62,129,323
(Less) cash and cash equivalents	(476,647)	(248,534)
Net Debt	68,681,537	61,880,789
Adjusted capital	51,634,063	62,020,793
Debt - to - adjusted capital ratio	133%	99%

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FAIR VALUE HIERARCHY

The table below analysis financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Prices quoted in active markets for similar instruments or through the use of valuation model that includes inputs that can be traced to markets, these inputs good be defend directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

A. Financial assets and liabilities that are measured at fair value on a recurring basis

Group doesn't have any financial assets of liabilities which require fair value measurement on a recurring basis

B. Financial assets and liabilities that are not measured at fair value:

<i>Jordanian Dinar</i>	<u>Book Value</u>	<u>Fair Value</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>December 31, 2017</u>				
Cash and cash at banks	476,647	476,647	-	-
Loan from banks	35,791,319	35,791,319	-	-
Shareholder's loan	6,840,587	6,840,587	-	-
Other debit balances	3,486,523	-	3,486,523	-
Trade receivable	3,303,371	-	3,303,371	-
Due from related parties	64,247	-	64,247	-
Deferred checks and notes payable	(4,368,375)	-	(4,368,375)	-
Trade payable	(8,154,130)	-	(8,154,130)	-
Deferred revenue	(1,499,916)	-	(1,499,916)	-
Due to related parties	(832,941)	-	(832,941)	-
Other credit balances	(7,709,159)	-	(7,709,159)	-
<u>December 31, 2016</u>				
Cash and cash equivalent	248,534	248,534	-	-
Loan from banks	37,094,175	37,094,175	-	-
Shareholder's loan	6,483,968	6,483,968	-	-
Other debit balances	2,817,996	-	2,817,996	-
Trade receivable	4,811,860	-	4,811,860	-
Due from related parties	53,663	-	53,663	-
Deferred checks and notes payable	(1,760,414)	-	(1,760,414)	-
Trade payable	(6,540,560)	-	(6,540,560)	-
Deferred revenue	(3,467,775)	-	(3,467,775)	-
Other credit balances	(2,319,801)	-	(2,319,801)	-

Management believes that the carrying amount of these financial assets and liabilities approximate their fair value.

There were no transfers between level 1 and level 2 during the year 2017.

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32) COMPARATIVE FIGURES

Comparative figures represent the consolidated financial statements for the year ended December 31, 2016. The consolidated statement of financial position for the year ended 31 December 2016 was reclassified as follows:

As of 31 December 2016	Before reclassification	Reclassification	After reclassification
Trade Payable	7,493,215	(952,655)	6,540,560
Other Credit Balances	2,946,194	(626,393)	2,319,801
Deferred Checks	31,366	1,729,048	1,760,414
Notes Payable	150,000	(150,000)	-