

**AL-DAMAN FOR INVESTMENTS COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS**

**30 JUNE 2021**

**Report on Review of Interim Condensed Financial Statements  
To the Board of Directors of  
Al-Daman for Investments Company- Public Shareholding Company  
Amman - Jordan**

**Introduction**

We have reviewed the accompanying interim condensed financial statements of Al-Daman for Investments Company - Public Shareholding Company (the "Company") as at 30 June 2021, comprising of the interim condensed statement of financial position as at 30 June 2021 and the related interim condensed statement of income, interim condensed statement of comprehensive income, interim condensed statement of changes in equity and interim condensed statement of cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amman – Jordan  
27 July 2021



**AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AT 30 JUNE 2021**

	Notes	30 June 2021 JD (Unaudited)	31 December 2020 JD (Audited)
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS -</b>			
Property and equipment		24,874	26,462
Investments properties		2,061,861	2,094,187
Right of use assets	6	1,269,656	1,337,245
Investments in an associate	4	5,009,332	5,044,089
Financial assets at fair value through other comprehensive income		237,208	193,850
		<u>8,602,931</u>	<u>8,695,833</u>
<b>CURRENT ASSETS -</b>			
Checks and notes under collection, net		7,228	4,455
Accounts receivable, net		18,588	152,966
Other current assets		99,054	148,082
Cash and bank balances	5	2,832,016	2,790,010
		<u>2,956,886</u>	<u>3,095,513</u>
<b>TOTAL ASSETS</b>		<u><u>11,559,817</u></u>	<u><u>11,791,346</u></u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHAREHOLDERS' EQUITY -</b>			
	7		
Share capital		10,000,000	10,000,000
Statutory reserve		376,448	376,448
Voluntary reserve		64,164	64,164
Fair value reserve		(32,028)	(75,386)
Company's share of fair value reserve of an associate		(118,044)	(188,352)
Accumulated losses		(397,496)	(114,766)
<b>NET EQUITY</b>		<u>9,893,044</u>	<u>10,062,108</u>
<b>LIABILITIES-</b>			
<b>NON - CURRENT LIABILITIES -</b>			
Lease liabilities	6	1,399,611	1,425,729
		<u>1,399,611</u>	<u>1,425,729</u>
<b>CURRENT LIABILITIES -</b>			
Other current liabilities		210,980	246,298
Lease liabilities	6	56,182	57,211
		<u>267,162</u>	<u>303,509</u>
<b>TOTAL LIABILITIES</b>		<u>1,666,773</u>	<u>1,729,238</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>11,559,817</u></u>	<u><u>11,791,346</u></u>

The attached notes from 1 to 12 form part of these interim condensed financial statements

**AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF INCOME**  
**FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED 30 JUNE 2021 (UNAUDITED)**

	Note	For the three months ended 30 June		For the six months ended 30 June	
		2021	2020	2021	2020
		JD	JD	JD	JD
Operating revenues		119,872	114,297	224,140	220,894
Operating expenses		(89,574)	(71,610)	(130,425)	(142,239)
<b>Operating profit</b>		30,298	42,687	93,715	78,655
Interest income		28,988	37,311	61,509	73,765
Dividends income		6,392	-	7,113	-
Administrative Expenses - Amman		(15,050)	(12,077)	(36,931)	(36,732)
Administrative Expenses - Aqaba		(2,197)	(23,388)	(46,068)	(46,358)
Finance costs – lease liabilities		(32,986)	(35,903)	(71,385)	(71,805)
Provision for expected credit losses		(72,358)	(30,211)	(186,650)	(65,594)
Share of results from an associate	4	(41,501)	(101,165)	(105,065)	(134,363)
Other income		87	-	1,032	-
<b>Loss for the Period</b>		(98,327)	(122,746)	(282,730)	(202,432)
		JD/Fils	JD/Fils	JD/Fils	JD/Fils
Basic and diluted earnings per share from the loss of the period		(0/010)	(0/012)	(0/028)	(0/020)

The attached notes from 1 to 12 form part of these interim condensed financial statements

**AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME STATEMENT**  
**FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED 30 JUNE 2021 (UNAUDITED)**

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	For the three months ended 30 June		For the six months ended 30 June	
	2021	2020	2021	2020
	JD	JD	JD	JD
<b>LOSS FOR THE PERIOD</b>	(98,327)	(122,746)	(282,730)	(202,432)
<b>ADD: OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIOD</b>				
Company's share of net changes in fair value	43,366	(1,747)	43,358	(30,429)
Changes in fair value reserve of an associate	29,535	(18,330)	70,308	(35,802)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>(25,426)</u>	<u>(142,823)</u>	<u>(169,064)</u>	<u>(268,663)</u>

The attached notes from 1 to 12 form part of these interim condensed financial statements

**AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 JUNE 2021(UNAUDITED)**

	Share capital	Statutory reserve	Voluntary reserve	Fair value reserve	Company share of fair value reserve of an associate	Accumulated losses	Total
	JD	JD	JD	JD	JD	JD	JD
<b>30 June 2021 -</b>							
Balance at 1 January 2021	10,000,000	376,448	64,164	(75,386)	(188,352)	(114,766)	10,062,108
Loss for the period	-	-	-	-	-	(282,730)	(282,730)
Changes in fair value reserve	-	-	-	43,358	-	-	43,358
Changes in fair value reserve of an associate	-	-	-	-	70,308	-	70,308
Total Comprehensive Income for the period	-	-	-	43,358	70,308	(282,730)	(169,064)
<b>Balance at 30 June 2021</b>	<u>10,000,000</u>	<u>376,448</u>	<u>64,164</u>	<u>(32,028)</u>	<u>(118,044)</u>	<u>(397,496)</u>	<u>9,893,044</u>
<b>30 June 2020 -</b>							
Balance at 1 January 2020	10,000,000	376,448	64,164	(45,822)	(165,708)	414,835	10,643,917
Loss for the period	-	-	-	-	-	(202,432)	(202,432)
Changes in fair value reserve	-	-	-	(30,429)	-	-	(30,429)
Changes in fair value reserve of an associate	-	-	-	-	(35,802)	-	(35,802)
Total Comprehensive Income for the period	-	-	-	(30,429)	(35,802)	(202,432)	(268,663)
<b>Balance at 30 June 2020</b>	<u>10,000,000</u>	<u>376,448</u>	<u>64,164</u>	<u>(76,251)</u>	<u>(201,510)</u>	<u>212,403</u>	<u>10,375,254</u>

The attached notes from 1 to 12 form part of these interim condensed financial statements

**AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021(Unaudited)**

		For the six months ended 30 June	
	<u>Note</u>	<u>2021</u>	<u>2020</u>
		JD	JD
<b><u>OPERATING ACTIVITIES</u></b>			
Loss for the period		(282,730)	(202,432)
<b>Adjustments for:</b>			
Depreciation		35,649	36,191
Depreciation on right of use asset		14,923	15,233
Provision for expected credit losses		186,650	65,594
Share of results from of an associate		105,065	134,363
Interest income		(61,509)	(73,765)
Dividends income		(7,113)	-
Finance costs		71,385	71,805
<b>Working capital changes:</b>			
Accounts receivable and other current assets		(65,576)	(104,149)
Checks under collection		(2,773)	33,369
Other current liabilities		(35,318)	(16,484)
<b>Net cash flows used in operating activities</b>		<u>(41,347)</u>	<u>(40,275)</u>
<b><u>INVESTING ACTIVITIES</u></b>			
Deposits at banks with maturity of more than three 3 months	5	187,289	548,811
Purchases of property and equipment and investment properties		(1,735)	(5,035)
Projects in progress		-	(3,364)
Dividends from an associate		7,113	-
Interest income received		123,841	124,013
<b>Net cash flows from investing activities</b>		<u>316,508</u>	<u>664,425</u>
<b><u>FINANCING ACTIVITIES</u></b>			
Lease liabilities paid		(45,866)	(43,015)
<b>Net cash flows used in financing activities</b>		<u>(45,866)</u>	<u>(43,015)</u>
<b>Net increase in cash and cash equivalents</b>		229,295	581,135
Cash and cash equivalents at 1 January		100,476	93,064
<b>Cash and cash equivalents At 30 June</b>	5	<u>329,771</u>	<u>674,199</u>

The attached notes from 1 to 12 form part of these interim condensed financial statements

**(1) GENERAL**

Al-Daman for Investments Company ("the Company") was established and registered on 17th April 1993, as a Public Shareholding Company. The paid in capital of the Company is JD 10,000,000 divided into 10,000,000 shares at par value of (JD 1) each.

The Company's objectives are to invest in projects, other companies, securities, and investing the Company's cash in real estate industry.

The interim condensed financial statements were authorized for issuance by the board of directors in their meeting held on 27 July 2021.

The Company's interim condensed financial statements are consolidated in the consolidated financial statement of (the Social Security Corporation) which owns 61.4% of the Company's share capital.

**(2-1) BASIS OF PREPARATION FINANCIAL STATEMENTS**

The interim condensed financial statements prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The financial statements have been prepared on a historical cost basis, except for the financial assets at fair value through other comprehensive income, which have been measured at fair value as of the date of the interim condensed financial statements.

The interim condensed financial statements do not contain all information and disclosures required for the financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual financial statements as of 31 December 2020. In addition, the result of the six months period ended 30 June 2021 are not necessarily indicative of the result that may be expected for the financial year ending 31 December 2021.

The interim condensed financial statements are presented in Jordanian Dinars "JD" which is the functional currency of the Company.

**(2-2) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2020 except for the adoption of new standards effective as of 1 January 2021 shown below:



### **Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the interim condensed financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

### **(3) USE OF ESTIMATES**

The preparation of the interim condensed financial statements and appliance of accounting policies requires the company's management to use estimation and professional judgement that affects the amounts of assets and liabilities and the disclosure of contingent liabilities. These estimates and judgements also affects revenues, expenses, and provisions. They especially require from the management to make important estimates and provisions that affect future cash flow and their timing that are a result of the situation and circumstances of those estimates in the future. Those estimates are based on multiple theories and factors that have multiple degrees of estimation and uncertainty. Therefor the actual results might differ from the estimates as a result in the change in future conditions and circumstances for those provisions.

### **(4) INVESTMENT IN AN ASSOCIATE**

This item represents the Company's share in Al-Sharq For Projects Investments PLC. – Movenpic Hotel - Amman of 26.03% (31 December 2020: 26.03%), the Company owns 4,164,153 shares as of 30 June 2021 (31 December 2020: 4,164,153 shares) from the capital of Al-Sharq For Investment Projects PLC with a fair value of JD 7,328,909 as of 30 June 2021 (31 December 2020: JD 10,410,383).

**AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2021 (Unaudited)**

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Movements on investment in an associate were as follow:

	30 June 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	5,044,089	5,393,961
Share of results from of an associate	(105,065)	(327,228)
Share of the change in fair value reserve of financial assets of an associate	70,308	(22,644)
Balance at the end of the period / year	5,009,332	5,044,089

The following schedules summarizes the financial information for the Company's investment in Alsharq Company for Projects Investments:

	30 June 2021	31 December 2020
	JD	JD
	(Unaudited)	(Audited)
Current assets	1,355,053	993,099
Non-current assets	18,623,429	18,859,712
Current liabilities	(617,106)	(493,354)
Non-current liabilities	(488,405)	(352,941)
Equity	18,872,971	19,006,516
Adjustments	374,474	374,474
	19,247,445	19,380,990
<b>Percentage of the Company's ownership</b>	26.03%	26.03%
<b>Carrying amount of the investment</b>	5,009,332	5,044,089

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	30 June 2021 JD (Unaudited)	30 June 2020 JD (Unaudited)
Operating revenues	992,126	1,477,756
Operating costs	(311,565)	(604,619)
Administrative, maintenance, marketing and depreciation expenses	(1,146,327)	(1,397,330)
Other revenues	62,073	7,951
<b>Loss for the period before tax</b>	<b>(403,693)</b>	<b>(516,242)</b>
Income tax expense	-	-
National contribution to settle public debt	-	-
<b>Loss for the period</b>	<b>(403,693)</b>	<b>(516,242)</b>
<b>Company's share of loss for the period</b>	<b>(105,065)</b>	<b>(134,363)</b>

**(5) CASH AND BANK BALANCES**

	30 June 2021 JD (Unaudited)	31 December 2020 JD (Audited)
Cash on hand	650	-
Cash at banks	106,721	100,476
Deposits maturing in less than three months	222,400	-
Cash and cash equivalents	329,771	100,476
Deposits maturing in period of more than three months up to one year*	2,502,245	2,689,534
	<u>2,832,016</u>	<u>2,790,010</u>

\* Deposits at banks earned interest at a rate between 3.75% and 4.25% (31 December 2020: 5.25% and 6.25%).

**AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY**  
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**(6) LEASE LIABILITIES**

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period ended 30 June 2021 (Unaudited):

	Right of use assets - Lands	Lease liabilities*
	JD	JD
At 1 January 2021	1,337,245	1,482,940
Adjustments	(52,666)	(52,666)
Depreciation	(14,923)	-
Finance costs	-	71,385
Payments	-	(45,866)
At 30 June 2021	<u>1,269,656</u>	<u>1,455,793</u>

\* Lease liabilities details as at 30 June 2021 and 31 December 2020 are as follows:

30 June 2021			31 December 2020		
(Unaudited)			(Audited)		
Short term	Long term	Total	Short term	Long term	Total
JD	JD	JD	JD	JD	JD
<u>56,182</u>	<u>1,399,611</u>	<u>1,455,793</u>	<u>57,211</u>	<u>1,425,729</u>	<u>1,482,940</u>

**(7) SHAREHOLDERS' EQUITY**

**Share capital**

The paid in capital is JD 10,000,000 divided into 10,000,000 share at par value of (JD 1) each. Below is a summary list of the shareholders and their share percentage of the paid in capital:

	<u>%</u>
Social security corporation	61.4
Arab Bank	10
Housing bank for trade and finance	10
Cairo Amman bank	10
Etihad Bank	5
Other Partners	3.6

**Legal reserves**

The Company did not deduct legal reserves in accordance with the effective laws and instructions as these financial statements are interim financial statements.

**(8) INCOME TAX**

No provision for income tax was calculated for the periods ended 30 June 2021 and 30 June 2020 due to the fact that the Company has accumulated losses from prior years in accordance with the Income Tax Law No. (38) of 2018.

The Company reached a final settlement with the Income and Sales Tax Department for its operations in Amman up to the year 2018. The Company submitted its tax declaration for the years 2019 and 2020, which have not been reviewed by the Income Tax Department as at the interim condensed financial statements preparation date.

The Company reached to a final settlement with the income tax department for its operations in Aqaba up to the year 2016.

The Company submitted its tax declarations for its operation in Aqaba for the years from 2017 to 2020. The Income and Sales Tax Department did not review those accounting records of the Company as at the date of these interim condensed financial statements.

**(9) SEGMENT INFORMATION**

The Business segment represents a group of assets and operations that work together to provide products or services that are subjected to risk and returns that differ from that related to other business segments.

The geographical segment is linked to providing products or services in a specific economical environment subjected to risks and returns that differ from those related to business in economical environment.

The Company's activities consist of one economical segment which represents revenues and expenses on the Aqaba project in addition to Amman office expenses, and the Board of Directors. There are no other segments, also the company is not involved in any other trade activity, and the following is a summary of operations:

	Amman	Private economic zone / Aqaba	Total
<b>30 June 2021 (Unaudited):</b>	JD	JD	JD
Operating revenues	-	224,140	224,140
Operating expenses	-	(130,425)	(130,425)
Share from results of an associate	(105,065)	-	(105,065)
Interest income	-	61,509	61,509
Dividends income	7,113	-	7,113
Administrative expenses	(36,931)	(46,068)	(82,999)
Finance cost lease contract	-	(71,385)	(71,385)
Provision for expected credit loss	-	(186,650)	(186,650)
Other income	-	1,032	1,032
<b>LOSS FOR THE PERIOD</b>	<b>(134,883)</b>	<b>(147,847)</b>	<b>(282,730)</b>

**AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY**  
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**30 JUNE 2021 (Unaudited)**

	Amman	Private economic zone / Aqaba	Total
	JD	JD	JD
<b>30 June 2020 (Unaudited):</b>			
Operating revenues	-	220,894	220,894
Operating expenses	-	(142,239)	(142,239)
Share from results of an associate	(134,363)	-	(134,363)
Interest income	-	73,765	73,765
Administrative expenses	(36,732)	(46,358)	(83,090)
Finance cost lease contract	(546)	(71,259)	(71,805)
Provision for expected credit loss	-	(65,594)	(65,594)
<b>LOSS FOR THE PERIOD</b>	<b>(171,641)</b>	<b>(30,791)</b>	<b>(202,432)</b>

**(10) RELATED PARTY TRANSACTIONS**

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

The following is the balances and transactions with related parties in the interim statement of financial position and interim statement of income:

	30 June 2021	30 June 2020
	JD	JD
	(Unaudited)	(Unaudited)
<b>Interim Statement of Income items:</b>		
Bank interest revenue*	-	35,839
Social Security contribution – company's share	1,437	1,650
Salaries and wages of executives	10,862	17,836
Board of directors transportation allowance	27,000	27,000
Board of directors remuneration	5,550	6,900

\* Bank interest revenue represents revenues on bank deposits at banks who are Board of Directors.

**(11) RISK MANAGEMENT**

**Interest rate risk**

The Company is exposed to interest rate risk on its interest-bearing assets and liabilities such as bank deposits. The management believes that the effect of changes in interest rates as a result of the current events do not have any material impact on the Company's interim condensed financial statements.

**Equity price risk**

Equity price risk arises from changes in the fair value of equity investments. Equity investments in the interim condensed financial statements are mainly listed in Amman Stock Exchange at a value of JD 237,209. The management believes that the effect of the risks of changes in share prices as a result of the current events is not material to the interim condensed financial statements.

**Liquidity risk**

The Company believes that it is not exposed to liquidity risk as a result of current events, as it has not affected the objectives, policies and procedures related to capital structure and can fulfil its financial obligations when they fall due.

**Currency risk**

Most of the Company's transactions are in Jordanian Dinar. The Jordanian Dinar exchange rate is fixed against U.S. Dollar (USD 1.41 for each one JD). Accordingly, the Company is not exposed to significant currency risk as a result of changes in currency rates due to the current events on the Company's interim condensed financial statements.

**(12) IMPACT OF CORONAVIRUS OUTBREAK (COVID-19) ON THE COMPANY**

Coronavirus outbreak has impacted the global macroeconomy and caused significant disruption in the global economy and different business sectors. Accordingly, services sector and related industries have been affected by mass business closures, large-scale quarantines, and other government procedures.

In March 2020, the World Health Organization (WHO) classified the spread of Covid-19 as an epidemic, that had an impact on the global economy and disrupted global markets. This has had a significant impact on the tourism sector operated by the company's associate as a result of the limitation on travel, quarantine for passengers, cancellation of conferences and decline in passenger bookings in order to combat the spread of Coronavirus.



The extent and duration of such impacts remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the Coronavirus and the extent and effectiveness of containment actions taken. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of approval of these financial statements. These developments could impact the company's future financial results, cash flows and financial condition. According to the information available to date on these interim financial statements, the Company's management believe that the Covid-19 effect is as follows:

- The Company recorded expected credit losses provision amounting to of JD 186,650 during the period ended 30 June 2021.
- The Company recorded a loss from the associate of JD 105,065 for the period ended 30 June 2021 as a result of the decline in hotel occupancy rates as a result of the economic conditions on the tourism sector.