

No. 2/4/1 /

الرقم: 347 / 1/4/2

<p>To: Jordan Securities Commission Amman Stock Exchange Date:01/05/2019 Subject: Quarterly Report as of 31/0/2019</p>	<p>السادة هيئة الأوراق المالية السادة بورصة عمان التاريخ: 2019/05/01 الموضوع: التقرير ربع السنوي كما هي في 2019/03/31</p>
<p>Attached the Quarterly Report of Deera Investment and Real Estate Development as of 31/03/2019</p>	<p>مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة الديرة للاستثمار والتطوير العقاري كما هي بتاريخ 2019/03/31 م</p>
<p>Kindly accept our high appreciation &amp; respect Deera Investment and Real Estate Development Chief Executive Officer Mohammad Alawi</p> 	<p>وتفضلوا بقبول فائق الاحترام ... شركة الديرة للاستثمار والتطوير العقاري الرئيس التنفيذي محمد العلاوي</p> 



بورصة عمان  
الدائرة الإدارية والمالية  
العمان

0 ٠ أيار ٢٠١٩

2727

31255

الرقم المتسلسل:  
رقم الملف:  
الجهة المختصة:



**DEERA INVESTMENT AND REAL ESTATE DEVELOPMENT GROUP  
PUBLIC SHAREHOLDING COMPANY  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
31 MARCH 2019**

**DEERA INVESTMENT AND REAL ESTATE DEVELOPMENT GROUP**  
**PUBLIC SHAREHOLDING COMPANY**  
**CONTENTS**

---

	<u>Page</u>
Review report on interim financial statement	3
Condensed consolidated interim statement of financial position	4
Condensed consolidated interim statement of income	5
Condensed consolidated interim statement of comprehensive income	6
Condensed consolidated interim statement of changes in equity	7
Condensed consolidated interim statement of cash flows	8
Notes to the condensed consolidated interim financial statements	9-11

RSM Jordan

Amman 69 Queen Rania St.  
P.O.BOX 963699  
Amman 11196 Jordan

T +962 6 5673001  
F +962 6 5677706

www.rsm.jo

## REVIEW REPORT ON INTERIM FINANCIAL STATEMENT

### **TO THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS DEERA INVESTMENT AND REAL ESTATE DEVELOPMENT GROUP PUBLIC SHAREHOLDING COMPANY AMMAN - JORDAN**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Deera Investment and Real Estate Development Group as at 31 March 2019, and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial statements in accordance with International Accounting Standard IAS (34) relating to Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial statement based on our review.

#### **Scope of review**

We conducted our review in accordance with International Standard on Review Engagement 2410 "Review of Interim Financial Statement 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard (34) relating to interim financial reporting.

#### **Emphasis of a matter**

As stated in note 5 of accompanying condensed consolidated interim financial statement, as a subsequent event the Board of Directors has decided in its meeting on 1 May 2019 to follow the last update in the general assembly according to any other matters section related to settlement the outstanding debts of Deera and Awtad Company with Kuwait Finance House Company – Jordan through outstanding debts balance settlement of associates company.

As stated in note 6 of accompanying condensed consolidated interim statement, Court of Arbitration decided to obligate Deera investment and Real Estate Development to pay amounts which stated in note 6, the company rejects the decision.

**Amman – Jordan**  
**1 May 2019**

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING



Lead sponsors



**DEERA INVESTMENT AND REAL ESTATE DEVELOPMENT GROUP**  
**PUBLIC SHAREHOLDING COMPANY**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**31 MARCH 2019 (UNAUDITED)**

	<b>31 MARCH 2019 JD</b>	<b>31 December 2018 JD</b>
<b>Assets</b>		
<b>Non - Current Assets</b>		<b>Audited</b>
Property, plant and equipment	21 207 073	21 394 644
Intangible assets	76 810	78 779
Projects under construction	16 453 853	16 405 652
Investment in associates	15 402 492	15 403 242
Investment properties	9 806 117	9 806 117
Assets held under capital lease	6 011 316	5 983 988
Financial assets at fair value through other comprehensive Income	876 519	1 392 283
Long-term notes receivable	1 191 229	1 316 010
Long-term checks under collection long-term	51 852	58 368
<b>Total Non - Current Assets</b>	<b>71 077 261</b>	<b>71 839 083</b>
<b>Current Assets</b>		
Assets held for sale	512 134	578 225
Lands held for sale	17 226 420	17 515 319
Inventory	223 793	232 565
Other debit balances	735 571	478 685
Accounts receivable	260 006	650 621
Short-term notes receivable	440 433	435 225
Short-term checks under collection	95 314	91 675
Cash and cash equivalents	51 396	33 824
<b>Total Current Assets</b>	<b>19 545 067</b>	<b>20 016 139</b>
<b>Total Assets</b>	<b>90 622 328</b>	<b>91 855 222</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Share capital	40 000 000	40 000 000
Share premium	16 400 000	16 400 000
Statutory reserve	2 713 643	2 713 643
Voluntary reserve	175 157	175 157
Fair value reserve	(535 140)	(3 403 808)
Retained earning	708 658	3 984 526
<b>Total Company shareholders</b>	<b>59 462 318</b>	<b>59 869 518</b>
Non-controlling interest	960 229	1 074 385
<b>Total Equity</b>	<b>60 422 547</b>	<b>60 943 903</b>
<b>Non - Current Liabilities</b>		
Long-term loan	12 218 794	12 702 870
Long-term murabaha financing facility	2 010 264	2 252 570
Long-term capital lease obligations	910 920	998 880
Long-term due to related parties	6 228 627	6 128 616
<b>Total Non - Current Liabilities</b>	<b>21 368 605</b>	<b>22 082 936</b>
<b>Current Liabilities</b>		
Short-term loan	2 317 141	2 405 876
Short-term murabaha financing facility	1 155 678	1 130 642
Short-term capital lease obligations	266 983	192 695
Short-term due to related parties	2 462 801	2 469 490
Provision for income tax	3 638	3 638
Other credit balances	1 090 919	848 904
Accounts payable	1 388 210	1 614 692
Advance payments in assets held for sale	5 319	8 353
Bank overdraft	137 118	154 093
Postdated checks	3 369	-
<b>Total Current Liabilities</b>	<b>8 831 176</b>	<b>8 828 383</b>
<b>Total Liabilities</b>	<b>30 199 781</b>	<b>30 911 319</b>
<b>Total Equity and Liabilities</b>	<b>90 622 328</b>	<b>91 855 222</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements

DEERA INVESTMENT AND REAL ESTATE DEVELOPMENT GROUP  
PUBLIC SHAREHOLDING COMPANY  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME  
31 MARCH 2019 (UNAUDITED)

	<b>31 MARCH 2019 JD</b>	<b>31 MARCH 2018 JD</b>
Operating revenues	1 531 247	1 286 614
Operating expenses	(843 561)	(1 145 752)
<b>Gross profit</b>	<b>687 686</b>	<b>140 862</b>
Administrative expenses	(540 982)	(176 080)
Depreciations and amortizations	(165 112)	(5 878)
Group's share of associates	(750)	(16 850)
Financing expenses	(362 009)	-
Other revenues	(1 003)	2 628
<b>Loss for the Period</b>	<b>(382 170)</b>	<b>(55 318)</b>
<b>Attributable to:</b>		
Group's Shareholders	(268 014)	(47 974)
Non - Controlling interest	(114 156)	(7 344)
	<b>(382 170)</b>	<b>(55 318)</b>
<b>Basic and diluted loss per share for the period</b>	<b>(0.007) JD</b>	<b>(0.001) JD</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements

DEERA INVESTMENT AND REAL ESTATE DEVELOPMENT GROUP  
PUBLIC SHAREHOLDING COMPANY  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
31 MARCH 2019 (UNAUDITED)

	31 MARCH 2019 JD	31 MARCH 2018 JD
<b>Loss for the Period</b>	<u>(382 170)</u>	<u>(55 318)</u>
<b>Other comprehensive income items:</b>		
Change in the fair value of reserve	5 026	(142 771)
Losses from sale of financial assets at fair value	<u>(144 212)</u>	<u>-</u>
<b>Total comprehensive loss for the period</b>	<u><b>(521 356)</b></u>	<u><b>(198 089)</b></u>
<b>Attributable to:</b>		
Group's Shareholders	(407 200)	(190 745)
Non - Controlling interest	<u>(114 156)</u>	<u>(7 344)</u>
	<u><b>(521 356)</b></u>	<u><b>(198 089)</b></u>

The accompanying notes are an integral part of these condensed consolidated interim financial statements

DEERA INVESTMENT AND REAL ESTATE DEVELOPMENT GROUP  
PUBLIC SHAREHOLDING COMPANY  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY  
31 MARCH 2019 (UNAUDITED)

	Share capital JD	Share premium JD	Statutory reserve JD	Voluntary reserve JD	Cumulative change in Fair value JD	Retained earnings JD	Shareholders' Equity JD	Non - controlling Interest JD	Total equity JD
<b>31 DECEMBER 2017</b>	40 000 000	16 400 000	2 713 643	175 157	(3 521 016)	4 786 714	60 554 498	5 523	60 560 021
comprehensive loss for the period	-	-	-	-	-	(47 974)	(47 974)	(7 344)	(55 318)
fair value of reserve	-	-	-	-	(142 771)	-	(142 771)	-	(142 771)
<b>31 MARCH 2018</b>	<b>40 000 000</b>	<b>16 400 000</b>	<b>2 713 643</b>	<b>175 157</b>	<b>(3 663 787)</b>	<b>4 738 740</b>	<b>60 363 753</b>	<b>(1 821)</b>	<b>60 361 932</b>
<b>31 DECEMBER 2018</b>	40 000 000	16 400 000	2 713 643	175 157	(3 403 808)	3 984 526	59 869 518	1 074 385	60 943 903
comprehensive loss for the period	-	-	-	-	-	(268 014)	(268 014)	(114 156)	(382 170)
fair value of reserve	-	-	-	-	5 026	-	5 026	-	5 026
Loss from sale of financial assets	-	-	-	-	2 863 642	(3 007 854)	(144 212)	-	(144 212)
<b>31 MARCH 2019</b>	<b>40 000 000</b>	<b>16 400 000</b>	<b>2 713 643</b>	<b>175 157</b>	<b>(535 140)</b>	<b>708 658</b>	<b>59 462 318</b>	<b>960 229</b>	<b>60 422 547</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements



**DEERA INVESTMENT AND REAL ESTATE DEVELOPMENT GROUP**  
**PUBLIC SHAREHOLDING COMPANY**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
**31 MARCH 2019 (UNAUDITED)**

	<b>31 MARCH 2019 JD</b>	<b>31 MARCH 2018 JD</b>
<b>Operating activities</b>		
Loss for the Period	(382 170)	(55 318)
<b>Adjustments for:</b>		
Depreciation and amortization	165 114	5 878
Group's share of associates	750	16 850
Financing expenses	362 009	
Losses from sale of fixed assets	1 003	-
<b>Changes in operating assets and liabilities</b>		
Other debit balances	(256 886)	422 174
Assets held for sale	354 990	1 076 075
Inventory	8 772	-
Accounts receivable	390 615	(129 684)
Notes receivable	119 573	(445 054)
Checks under collection	2 877	1 441
Advance payments in assets held for sale	(3 034)	148 222
Financial assets at fair value through comprehensive Income	376 578	-
Other credit balances	242 015	508 409
Accounts payable	(226 482)	182 389
Due to related parties	93 322	(822 943)
<b>Net cash from operating activities</b>	<b>1 249 046</b>	<b>908 439</b>
<b>Investing activities</b>		
Projects under constructions	(48 201)	(2 828 297)
Purchase of property, plant and equipment	23 423	(12 884)
Investment in associate	000	1 323 000
Assets held under capital lease	(27 328)	-
<b>Net cash from (used) in investing activities</b>	<b>(52 106)</b>	<b>(1 518 181)</b>
<b>Financing activities</b>		
Loan	(572 811)	(429 071)
Murabaha financing facility	(217 270)	1 132 243
Postdated checks	3 369	9 975
capital lease obligations	(13 672)	-
Bank overdraft	(16 975)	(22 186)
Paid Financing expenses	(362 009)	-
<b>Net cash (used in) from financing activities</b>	<b>(1 179 368)</b>	<b>690 961</b>
<b>Net change in cash and cash equivalents</b>	<b>17 572</b>	<b>81 219</b>
Cash and cash equivalents at 1 January	33 824	150 157
<b>Cash and cash equivalents at 31 March</b>	<b>51 396</b>	<b>231 376</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements

**1) General**

The Company was registered at the Ministry of Industry and Trade as a Jordanian public shareholding company under No. (410) on 8 June 2006. The company's share capital is JD 40 000 000.

The Company's main activities are acquired and sell properties, Land development, construction of commercial and residential buildings, and other related activities.

The accompanying condensed consolidated interim financial statement was approved by the Board of Directors in its meeting on 1 May 2019.

**2) Basis of preparation**

The accompanying condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The accompanying condensed consolidated interim financial information do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with the International Financial Reporting Standards and must be read with the consolidated financial statements of the Company as at 31 December 2018. In addition, the results of the Company's operations for the three months ended 31 March 2019 do not necessarily represent indications of the expected results for the year ending 31 December 2019, and do not contain the appropriation of the profit of the current period, which is usually performed at year end.

The condensed consolidated interim financial statements are presented in Jordanian Dinar, which is the functional currency of the group.

The accounting policies followed in these condensed interim financial statements are the same as those adopted for the year ended December 31, 2018 except for the following changes:

**Amendments with no material effect on the financial statements of the company:**

**Amendment to IFRS 3 "Business Combinations" (Effective form on January 1, 2020)**

These amendments clarify the definition of business as the International Accounting Standards Board published the conceptual Financial Reporting Framework. This includes revised definitions of assets and liabilities as well as new guidance on measurement, derecognition, presentation and disclosure.

In addition to the amended conceptual framework, the IASB issued amendments to the guidelines on the conceptual framework in the IFRS Standards, which contain amendments to IFRS 2, 3, 6 and 14 and IAS 1, 34, 37 and 38 and IFRIC 12, Interpretation 19, Interpretation 20 and 22 and Interpretation of the Standing Committee for the Interpretation of Standards No. 32 in order to update those statements with regard to references and quotations from the framework or to refer to a reference to Different from the conceptual framework.

**IFRS 17 "Insurance Contracts" (Effective form on January 1, 2022)**

It provides a more consistent measurement and presentation approach to all insurance contracts. These requirements are aimed at achieving a consistent, Principled accounting objective for insurance contracts. IFRS 17 replaces IFRS 4 Insurance Contracts.

IFRS 17 requires measurement of insurance liabilities at the present value of the liability.

**Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 "Investment in Associates and Joint Ventures (2011)" (Effective date deferred indefinitely. Adoption is still permitted)**

Management expects to apply these new standards, interpretations and amendments to the financial statements of the Company when they are applicable and the adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the initial period of application except for the effect of the adoption of IFRS 16, Shown below :

**Effect of Application of IFRS 16 "Leases"**

The Standard provides a comprehensive model for determining and treating lease arrangements in the financial statements of both lessors and lessees. It will also replace IAS 17 "Leases" and related interpretations when it becomes effective for the financial periods beginning on or after January 1, 2019.

As permitted by the transitional provisions of IFRS 16, the Company will not restate the comparative figures. Any changes in the carrying amount of assets and liabilities at the date of transition are recognized in the opening balances of the related balances.

There is no material difference between the accounting treatment in the lessor's books between IFRS 16 and IAS 17.

The change in the definition of the lease relates mainly to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the customer controls the use of a specific asset and the control is present if the customer has :

- The right to a substantial degree of all economic benefits arising from the use of specific assets ; and
- The right to direct the use of this asset.

#### **Effect on the Accounting Treatment in the lessee's Records Operating Leases**

Under IAS 16, the accounting treatment of leases previously classified as operating leases in accordance with IAS 17, which were classified as items outside the statement of financial position, has been changed.

In the initial application of IFRS 16 (except as referred to below), the Company will undertake the following for all leases :

- A. Recognition of "right to use" assets and lease commitments in the statement of financial position. These assets are initially measured on the basis of the present value of future cash flows paid.
- B. Recognition of the depreciation of "right to use" assets and interest on lease on lease commitments in the statement of income.
- C. Separating the total amount of cash paid into a principal portion (shown under financing activities) and interest (presented under operating activities) in the statement of cash flows.

For short-term leases (12 months or less) and low-value asset leases (such as personal computers and office furniture), the Company will choose to recognize lease expenses on a straight-line basis as permitted by the IFRS 16 is immaterial and will not be reflected in the financial statements of the Company, as all leases are short term and are automatically renewed on an annual basis.

The company's management believes that the effect of applying IFRS 16 is immaterial and will not be reversed on the Company's financial statements. All lease contracts are short term and are automatically renewed on an annual basis.

Recognition of lease obligation incentives previously recognized in respect of operating leases will be derecognized, and the amount will be calculated in the measurements of the leasehold assets and liabilities.

Under IAS 17, all lease payments relating to operating leases are recognized as part of the cash flows from operating activities. The effect of the changes under IFRS 16 will be to reduce cash generated from operating activities and increase the net cash used in financing activities with the same amount.

#### **Finance Leases**

The principal differences between IFRS 16 and IAS 17 in respect of previously existing advances under a finance lease are the measurement of residual value guarantees provided by the lessee to the lessor. IFRS 16 requires recognition as part of its lease obligation only the amount expected to be paid under the residual value guarantee, rather than the maximum secured amount as required by IAS 17. Upon initial request, the Company will state the equipment previously included in property, plant, and equipment under "right to use" assets and lease commitments, previously stated under borrowings, under a separate line item of the lease liabilities.

Based Company's no finance leases as at December 31, 2018.

#### **Effect on the Accounting Treatment in the Lessor's Records**

Under IFRS 16, the lessor continues to classify leases as either financial leases or operating leases and account for these two types of leases differently. However, IFRS 16 has changed and expanded the scope of disclosures required, in particular on how the lessor manages the risks arising from its remaining share in the leased assets.

Under IAS 16, for the purposes of the intermediate lessor, the principal lease and sub-lease are considered as separate contracts.

The intermediate lessor should classify the sub-lease as operating or financial lease by reference to the original "right to use" arising from the principal lease (not by reference to the underlying asset as in the case of IAS 17).

Because of this change, the company will classify some of its sub-lease agreements as financial leases. As required by IFRS 9, an allowance for credit losses recognized in the financial lease receivables will be recognized, and the leased assets and receivables from the finance lease will be derecognized. This change in accounting will result in a change in the timing of recognition of the related revenue.

Management expects to apply IFRS 16 in the financial statements of the Company for the period beginning January 1, 2019.

**DEERA INVESTMENT AND REAL ESTATE DEVELOPMENT GROUP**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT**  
**31 MARCH 2019 (UNAUDITED)**

**3) Principles of consolidation**

The consolidated financial statements comprise of the financial statements of the Company and its subsidiaries where the Company has the power to govern the financial and operating policies of the subsidiaries to obtain benefits from their activities. The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiaries are consolidated in the income statements from the acquisition date, which is the date on which control over subsidiaries is transferred to the Company. The results of operation of the disposed subsidiaries are consolidated in the income statement to the disposal date, which is the date on which the Company loses control over the subsidiaries

The following subsidiaries have been consolidated:

	Share capital	Nature of Activity	Ownership percentage	
	JD		31/3/2019	31/12/2018
Al Itlalah Investment and Real Estate Development	5 348 238	Real estate	100%	100%
Al Deera Tower Investment and Real Estate Development	5 340 384	Real estate	100%	100%
Amman Development for Tourism and Industrial Investment	4 907 179	Tourism & industrial	76%	76%
Awtad For Contracting Construction	500 000	Constructions	100%	100%
Al Qaws Electronics and Real Estate Investment	100 000	Real estate	100%	100%
Al Zambq Investment and Real Estate Development	10 000	Real estate	100%	100%
Alsamq Investment and Real Estate Development	10 000	Real estate	100%	100%
Al Saqi Investement and Real Estate Development	10 000	Real estate	100%	100%
Al Nasaem Investment and Real Estate Development	10 000	Real estate	100%	100%
Al Tmaem Investment and Real Estate Development	10 000	Real estate	100%	100%

**Accounting estimates**

Preparation of the financial statements and the application of the accounting policies require the management to perform assessments and assumptions that affect the amounts of financial assets, financial liabilities, and fair value reserve and to disclose contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the fair value shown in the statement of other comprehensive income and owners' equity. In particular, this requires the company's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the said assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

**4) Segmental Information**

**Segmental information for the basic sectors:**

For management purposes, the Group is organized into one major business segment:

Investment properties: Principally trading and renting properties and land owned by the Group.

**Information on Geographical Distribution:**

This note represents the geographical distribution of the Group operations. Moreover, the Group conducts its operations mainly in the Kingdom, representing local operations.

**DEERA INVESTMENT AND REAL ESTATE DEVELOPMENT GROUP**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT**  
**31 MARCH 2019 (UNAUDITED)**

---

**5) Subsequent events**

The Board of Directors has decided in its meeting on 1 May 2019 to follow the last update in the general assembly according to any other matters section related to intervention of Al Shira Real Estate Development & Investments Company and Al Anan Al Wusta Real Estate Development Company representatives, which own 14% of shares represented at the meeting, the intervention was about settlement of outstanding debts in accordance with the Board of Directors decision No. 37/5/2014 in 24 September 2014 to Deera and Awtad Company with Kuwait Finance House Company – Jordan which resulted from capital lease obligations and outstanding debts balance on associates companies, because the settlement is unfairness and loss to Deera investment and Real Estate Development Company, also conflict of interest, referring to that the main principles of the settlement agreement have not been completed, which would increase the loss on the shareholders of Deera Investment and Real Estate Development Company and proceed with the legal procedures of the official authorities by asking Kuwait Finance House Company – Jordan compensate for this loss after finding the financial impact through technical reports from Competent bodies.

The representative of the Controller General of Companies during the General Assembly referred to above, said that the intervention will be presented to the competent department in the Companies Control Department to take the legal opinion and take the necessary decisions and procedures in particular.

**6) Contingent liabilities**

	<b>31 March 2019</b>	<b>31 December 2018</b>
	<b>JD</b>	<b>JD</b>
Legal Issues*	690 390	690 390
Letters of guarantee	500	500
	<b>690 890</b>	<b>690 890</b>

\* In 11 November 2017 the arbitration issued decision to obligate Deera Investment and Real Estate Development Company to pay 690 390 JD Add legal benefit refer to the arbitration issue (Madi & Partners Consulting Engineers Co), the company reject the arbitration decision.

**7) Comparative figures**

Some of the comparative figures for the year 2018 have been reclassified to correspond with the period ended 31 March 2019 presentation and it did not result in any change to the last period's operating results.