



شركة أمواج العقارية م.ع.م

Number: A/2020/5/32

Date: 30/08/2020

To: Jordan Securities Commission  
Amman Stock Exchange

**SUBJECT: Disclosure of Preliminary Results Report for Amwaj Properties**

Attached the preliminary results report for Amwaj Properties P.L.C.as of 30/06/2020.

Kindly accept our high appreciation and respect,,,

Omar Abdullatif  
Finance & Admin Manager



بورصة عمان	
الدائرة الإدارية والمالية	
الديوان	
٢١ آب ٢٠٢٠	
3296	الرقم المتعلق:
31281	رقم الملف:
٣١١٥/١١	الجهة المختصة:

# **Amwaj Properties Company**

**Public Shareholding Company**

**Condensed Interim Consolidated Financial Statements (Unaudited)**

**30 June 2020**

**Amwaj Properties Company**  
**Public Shareholding Company**

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**Report on Review of the Condensed Interim Consolidated Financial Statements**

To The Shareholders of  
**Amwaj Properties Company**  
**Public Shareholding Company**  
Amman - Jordan

**Introduction**

We have reviewed the accompanying condensed interim consolidated financial statements of **Amwaj Properties Company**, comprising the interim consolidated statement of financial position as at 30 June 2020 and the related interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six-months period then ended and the notes about condensed interim consolidated financial statements. Management is responsible for the preparation and presentation of this interim consolidated financial statement in accordance with International Accounting Standard number (34) Interim Financial Reporting. Our responsibility is to express a conclusion on this interim consolidated financial statement based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements number (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.

**Material Uncertainty Related to Going Concern**


The accompanying condensed interim consolidated financial statements have been prepared on a going concern basis, and as indicated in the interim consolidated statement of financial position, the Company's current liabilities exceed its current assets by JOD (775,491), and its accumulated losses (including shares discount) represent 51% of its share capital, and the company suffers from financial difficulties due to the decrease in retail business and the withdrawal of many international brands from the Kingdom, this is in addition to the negative impact of Corona pandemic which resulted in the closure of many commercial centers and has forced lessors to grant rent concessions to lessees. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern, and its continuity depends on its ability to implement the management's plan disclosed in note No. (8), which includes rescheduling the bank facilities, and the company is currently evaluating the feasibility of opening a four-star hotel in the available area in the mall.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements as 30 June 2020 is not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

16 August 2020  
Amman - Jordan



  
**Arab Professionals**  
**Ibrahim Hammoudeh**  
License No. (606)

**Amwaj Properties Company**  
**Public Shareholding Company**  
**Interim Consolidated Statement of financial Position as at 30 June 2020**

(In Jordanian Dinar)

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
Investment properties	81,923,268	82,821,343
Property and equipment	12,453	15,038
Investment in associates	12,769	97,582
Checks under collection - long term	30,169	39,034
Projects under construction	63,690	-
<b>Total non-current assets</b>	<u>82,042,349</u>	<u>82,972,997</u>
<b>Current assets</b>		
Accounts and notes receivables - short term	1,907,498	1,307,698
Checks under collection - short term	862,447	1,522,667
Amounts due from related parties	88,128	389,000
Other debit balances	701,216	255,041
Cash and cash equivalents	42,140	201,681
<b>Total current assets</b>	<u>3,601,429</u>	<u>3,676,087</u>
<b>Total assets</b>	<u><b>85,643,778</b></u>	<u><b>86,649,084</b></u>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Paid-in capital	30,000,000	30,000,000
Shares discount	(4,242,055)	(4,242,055)
Accumulated losses	(11,201,138)	(10,208,080)
<b>Shareholders' equity</b>	<u>14,556,807</u>	<u>15,549,865</u>
Non-controlling interest	9,301,866	9,871,527
<b>Net equity</b>	<u>23,858,673</u>	<u>25,421,392</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Credit facilities - long term	56,176,262	52,320,108
Deferred checks - long term	1,231,923	946,976
<b>Total non-current liabilities</b>	<u>57,408,185</u>	<u>53,267,084</u>
<b>Current liabilities</b>		
Credit facilities - short term	-	2,800,000
Deferred revenues	1,295,252	2,518,153
Accounts payable	1,135,050	1,094,017
Deferred checks - short term	1,375,365	1,033,750
Amounts due to related parties	111,174	-
Other liabilities	460,079	514,688
<b>Total current liabilities</b>	<u>4,376,920</u>	<u>7,960,608</u>
<b>Total liabilities</b>	<u>61,785,105</u>	<u>61,227,692</u>
<b>Total equity and liabilities</b>	<u><b>85,643,778</b></u>	<u><b>86,649,084</b></u>

"The accompanying notes from (1) to (8) are an integral part of these condensed interim consolidated financial statements and read with review report"

**Amwaj Properties Company**  
**Public Shareholding Company**  
**Interim consolidated statement of comprehensive income**  
**For the Six Months Ended at 30 June 2020 (Unaudited)**  
**(In Jordanian Dinar)**

	For the three months ended		For the six months ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Revenues	1,109,460	1,697,320	2,362,750	3,098,525
Operating expenses	<u>(934,843)</u>	<u>(1,107,550)</u>	<u>(1,933,102)</u>	<u>(2,101,454)</u>
<b>Gross Profit</b>	<b>174,617</b>	<b>589,770</b>	<b>429,648</b>	<b>997,071</b>
Administrative and marketing expenses	(69,905)	(112,282)	(269,635)	(359,402)
Finance expense	(836,651)	(859,081)	(1,671,988)	(1,648,705)
Share from associate company results	-	-	(84,813)	-
Other revenues	<u>11,785</u>	<u>18,542</u>	<u>34,069</u>	<u>35,364</u>
<b>Total comprehensive loss for the period</b>	<b><u>(720,154)</u></b>	<b><u>(363,051)</u></b>	<b><u>(1,562,719)</u></b>	<b><u>(975,672)</u></b>
<b>Attributable to :</b>				
Shareholders of the company	(455,670)	(229,179)	(993,058)	(621,204)
Non-controlling interest	<u>(264,484)</u>	<u>(133,872)</u>	<u>(569,661)</u>	<u>(354,468)</u>
	<b><u>(720,154)</u></b>	<b><u>(363,051)</u></b>	<b><u>(1,562,719)</u></b>	<b><u>(975,672)</u></b>
<b>Basic and diluted losses per share for the period</b>	<b><u>(0.015)</u></b>	<b><u>(0.008)</u></b>	<b><u>(0.033)</u></b>	<b><u>(0.021)</u></b>

“The accompanying notes from (1) to (8) are an integral part of these condensed interim consolidated financial statements and read with review report”

**Amwaj Properties Company**  
**Public Shareholding Company**  
**Interim consolidated statement of changes in equity for the Six Months Ended at 30 June 2020 (Unaudited)**  
**(In Jordanian Dinar)**

	<u>Paid-in capital</u>	<u>Shares discount</u>	<u>Accumulated losses</u>	<u>Shareholders' equity</u>	<u>Non-controlling interest</u>	<u>Net Equity</u>
<b>Balance at 1 January 2020</b>	30,000,000	(4,242,055)	(10,208,080)	15,549,865	9,871,527	25,421,392
Total comprehensive loss for the period	-	-	(993,058)	(993,058)	(569,661)	(1,562,719)
<b>Balance at 30 June 2020</b>	<u>30,000,000</u>	<u>(4,242,055)</u>	<u>(11,201,138)</u>	<u>14,556,807</u>	<u>9,301,866</u>	<u>23,858,673</u>
<b>Balance at 1 January 2019</b>	30,000,000	(4,242,055)	(8,152,491)	17,605,454	11,049,495	28,654,949
Total comprehensive loss for the period	-	-	(621,204)	(621,204)	(354,468)	(975,672)
<b>Balance at 30 June 2019</b>	<u>30,000,000</u>	<u>(4,242,055)</u>	<u>(8,773,695)</u>	<u>16,984,250</u>	<u>10,695,027</u>	<u>27,679,277</u>

“The accompanying notes from (1) to (8) are an integral part of these condensed interim consolidated financial statements and read with review report”

**Amwaj Properties Company**  
**Public Shareholding Company**  
**Interim consolidated statement of cash flows**  
**For the Six Months Ended at 30 June 2020 (Unaudited)**

(In Jordanian Dinar)

	30 June 2020	30 June 2019
<b>Operating Activities</b>		
Loss for the period	(1,562,719)	(975,672)
Depreciation	900,241	892,791
Share from associate company results	84,813	-
<b>Changes in Working Capital</b>		
Accounts and notes receivables	(599,800)	741,777
Other debit balances	(446,175)	9,218
Checks under collection	669,085	262,725
Accounts payable	41,033	(125,959)
Other liabilities	(54,609)	410,592
Deferred checks	626,562	(352,257)
Deferred revenues	(1,222,901)	(1,140,602)
<b>Net cash flows used in Operating Activities</b>	<u>(1,564,470)</u>	<u>(277,387)</u>
<b>Investing Activities</b>		
Investment properties	297	(101,010)
Property and equipment	122	(115)
Projects under construction	(63,690)	-
<b>Net cash flows used in Investing Activities</b>	<u>(63,271)</u>	<u>(101,125)</u>
<b>Financing Activities</b>		
Credit facilities	1,056,154	605,776
Amounts due from/to related parties	412,046	(140,475)
<b>Net cash flows from Financing Activities</b>	<u>1,468,200</u>	<u>465,301</u>
<b>Changes in cash and cash equivalents</b>	(159,541)	86,789
Cash and cash equivalents, beginning of year	201,681	240,925
<b>Cash and cash equivalents, end of period</b>	<u><u>42,140</u></u>	<u><u>327,714</u></u>

"The accompanying notes from (1) to (8) are an integral part of these condensed interim consolidated financial statements and read with review report"



**Amwaj Properties Company**  
**Public Shareholding Company**  
**Notes to the condensed interim consolidated financial statements (Unaudited)**  
**30 June 2020**

**(In Jordanian Dinar)**

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**1 . General**

**Amwaj Properties Company PLC** was established on 26 February 2008 as a Public Shareholding Company and registered at the Ministry of Trade and Industry under number (449). The Company office is in the Hashemite Kingdom of Jordan. The company's main objective is exercising all real estate investment activities.

The Company stocks are listed in Amman Stock Exchange – Jordan.

The accompanying condensed interim consolidated financial statements have been approved for issue by the Company's Board of Directors.

**2 . Summary of Significant Accounting Policies**

**Basis of Preparation**

The condensed interim Consolidated financial statements of the company have been prepared in accordance with IAS (34) "Interim Financial Reporting". They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2019.

The condensed interim consolidated financial statements have been prepared on a historical cost basis.

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

The accounting policies are consistent with those used in the previous period, except for the adoption of new and amended standards effective as at the beginning of the year.

**Basis of Consolidation**

The condensed interim consolidated financial statements comprise of the condensed interim consolidated financial statements of the parent and its subsidiary where the Company has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from their activities. The condensed interim consolidated financial statements of the subsidiary 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 subsidiary are eliminated.

The subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases.

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

The following is the information of the subsidiary that has been consolidated:

<u>Company</u>	<u>Activity</u>	<u>Paid capital</u>	<u>Ownership</u>	<u>Registration country</u>
Al- Yaqout Real Estate Co. L.L.C	Real Estate	45,940,000	63.13%	Jordan

The above mentioned company is registered and operates inside of the Hashemite Kingdom of Jordan.

#### **Use of estimates**

The preparation of the condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues, expenses and the provisions. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Management believes that the estimates are reasonable and are as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the interim consolidated statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

#### **3 . Tax Status**

- The Company has settled its tax liability with Income Tax Department up to the year ended 2017.
- The income tax returns for the years 2018 and 2019 have been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- No income tax provision has been taken on the Company's results of operations for the six months ended at 30 June 2020, because the expenses exceeded the taxable income.

#### **4 . Law suits**

The Company is contingently liable against several law suits amounted to JOD (3,156,075). Management and legal counsel believe that the outcome of these cases will not have a material impact on the financial position of the company.

#### **5 . Contingent liabilities**

The company is contingently liable against bank letters of guarantees amounting to JOD (60,000).

**6. Fair Value of Financial instruments**

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

**7. The Impact of the New Corona Pandemic (Covid-19)**

The outbreak of the new Corona virus (Covid-19) at the beginning of 2020 caused a global economic crisis and disrupted many companies and economic activities, which would negatively affect the financial position of the Company, the results of its operations and its cash flows, and given that the situation is changing and rapidly developing, the Company's management is unable to determine the likely impact of this outbreak on the Company's interim consolidated financial statements at this stage.

**8. Material Uncertainty Related to Going Concern**

The accompanying condensed interim consolidated financial statements have been prepared on a going concern basis, and as indicated in the interim consolidated statement of financial position, the Company's current liabilities exceed its current assets by JOD (775,491), and its accumulated losses (including shares discount) represent 51% of its share capital, and the company suffers from financial difficulties due to the decrease in retail business and the withdrawal of many international brands from the Kingdom, this is in addition to the negative impact of Corona pandemic which resulted in the closure of many commercial centers and has forced lessors to grant rent concessions to lessees. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern, and its continuity depends on its ability to implement the following plan which includes rescheduling the bank facilities, and the company is currently evaluating the feasibility of opening a four-star hotel in the available area in the mall.