



شركة أمواج العقارية م.م

Number: A/2020/5/31

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 31/03/2020.

Kindly accept our high appreciation and respect,,,

Omar Abdullatif
Finance & Admin Manager



بورصة عمان
الدائرة الإدارية والمالية
الديوان

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الرقم المتصل:

رقم الملف:

الجهة المختصة:

Amwaj Properties Company

Public Shareholding Company

Condensed Interim Consolidated Financial Statements (Unaudited)

31 March 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 31 March 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 three 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 (3.3) million, and its accumulated losses (including shares discount) represent 50% 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 at 31 March 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 31 March 2020
(In Jordanian Dinar)

	31 March 2020 (Unaudited)	31 December 2019 (Audited)
Assets		
Non-current assets		
Investment properties	82,372,097	82,821,343
Property and equipment	13,745	15,038
Investment in associates	12,769	97,582
Checks under collection – long term	113,479	39,034
Projects under construction	63,690	-
Total non-current assets	82,575,780	82,972,997
Current assets		
Accounts and notes receivables	1,327,978	1,307,698
Checks under collection – short term	1,061,201	1,522,667
Amounts due from related parties	76,481	389,000
Other debit balances	943,062	255,041
Cash and cash equivalents	47,850	201,681
Total current assets	3,456,572	3,676,087
Total assets	86,032,352	86,649,084
Equity and Liabilities		
Equity		
Paid-in capital	30,000,000	30,000,000
Shares discount	(4,242,055)	(4,242,055)
Accumulated losses	(10,745,468)	(10,208,080)
Shareholders' equity	15,012,477	15,549,865
Non-controlling interest	9,566,350	9,871,527
Net equity	24,578,827	25,421,392
Liabilities		
Non-current liabilities		
Credit facilities – long term	54,502,318	52,320,108
Deferred checks – long term	211,152	946,976
Total non-current liabilities	54,713,470	53,267,084
Current liabilities		
Credit facilities – short term	1,000,000	2,800,000
Deferred revenues	1,872,579	2,518,153
Accounts payable	1,075,543	1,094,017
Deferred checks – short term	2,278,153	1,033,750
Amounts due to related parties	78,288	-
Other liabilities	435,492	514,688
Total current liabilities	6,740,055	7,960,608
Total liabilities	61,453,525	61,227,692
Total equity and liabilities	86,032,352	86,649,084

“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 Three Months Ended at 31 March 2020
(In Jordanian Dinar)

	31 March 2020 (Unaudited)	31 March 2019 (Unaudited)
Revenues	1,253,290	1,401,205
Operating expenses	(998,259)	(993,904)
Gross Profit	255,031	407,301
Administrative and marketing expenses	(199,745)	(247,120)
Finance expense	(835,322)	(789,624)
Share from associate company results	(84,813)	-
Other revenues	22,284	16,822
Total comprehensive loss for the period	(842,565)	(612,621)
Attributable to :		
Shareholders of the company	(537,388)	(389,787)
Non-controlling interest	(305,177)	(222,834)
	(842,565)	(612,621)
Basic and diluted losses per share for the period	(0.018)	(0.013)

“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 Three Months Ended at 31 March 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>
Balance at 1 January 2020	30,000,000	(4,242,055)	(10,208,080)	15,549,865	9,871,527	25,421,392
Total comprehensive loss for the period	-	-	(537,388)	(537,388)	(305,177)	(842,565)
Balance at 31 March 2020	<u>30,000,000</u>	<u>(4,242,055)</u>	<u>(10,745,468)</u>	<u>15,012,477</u>	<u>9,566,350</u>	<u>24,578,827</u>
Balance at 1 January 2019	30,000,000	(4,242,055)	(8,152,491)	17,605,454	11,049,495	28,654,949
Total comprehensive loss for the period	-	-	(389,787)	(389,787)	(222,834)	(612,621)
Balance at 31 March 2019	<u>30,000,000</u>	<u>(4,242,055)</u>	<u>(8,542,278)</u>	<u>17,215,667</u>	<u>10,826,661</u>	<u>28,042,328</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 Three Months Ended at 31 March 2020

(In Jordanian Dinar)

	31 March 2020 (Unaudited)	31 March 2019 (Unaudited)
Operating Activities		
Loss for the period	(842,565)	(612,621)
Depreciation	450,184	444,070
Share from associate company results	84,813	-
Changes in Working Capital		
Accounts and notes receivable	(20,280)	1,037,056
Other debit receivables	(688,021)	3,609
Checks under collection	387,021	(249,410)
Accounts payable	(18,474)	(51,952)
Other liabilities	(79,196)	127,125
Deferred checks	508,579	36,046
Deferred revenues	(645,574)	(622,666)
Net cash flows (used in) from Operating Activities	<u>(863,513)</u>	<u>111,257</u>
Investing Activities		
Investment properties	355	(91,314)
Property and equipment	-	(114)
Projects under construction	(63,690)	-
Net cash flows used in Investing Activities	<u>(63,335)</u>	<u>(91,428)</u>
Financing Activities		
Credit facilities	382,210	19,423
Amounts due from/to related parties	390,807	(27,262)
Net cash flows from (used in) Financing Activities	<u>773,017</u>	<u>(7,839)</u>
Changes in cash and cash equivalents	(153,831)	11,990
Cash and cash equivalents, beginning of year	<u>201,681</u>	<u>240,925</u>
Cash and cash equivalents, end of period	<u>47,850</u>	<u>252,915</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)
31 March 2020

(In Jordanian Dinar)

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 its 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 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:

Company	Activity	Paid capital	Ownership	Registration country
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 three months ended at 31 March 2020, due that 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 (3.3) million, and its accumulated losses (including shares discount) represent 50% 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.