

*Al-Sharq Investment Projects Co.
Public Shareholding Co.
Amman – Jordan
Interim Financial Statements For the period
from 1/1/2021 to 30/6/2021
Report on the review of the interim financial
information (Unaudited)*

Al-Sharq Investment Projects Co.
Public Shareholding Co.
Amman – Jordan

INDEX

Report on the review of the interim financial information (Unaudited)

	<u>STATEMENT</u>
Statement of Interim Financial Position	A
Statement of Interim Comprehensive Income	B
Statement of Interim Changes in Equity	C
Statement of Interim Cash Flows	D
	<u>NOTES</u>
Notes to Interim Financial Statements	1 - 6

330/1/108/1896

Report on the review of the interim financial information (Unaudited)

To the Board of Directors,
Al-Sharq Investment Projects Co.
Public Shareholding Co.
Amman – Jordan

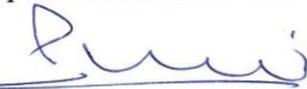
We have reviewed the accompanying interim financial statements of **Al-Sharq Investment Projects Co. (PLC)** and the related Interim Statement of Comprehensive Income, Interim Changes in Equity and Interim Cash Flow for the six months period ended on June 30th, 2021, and a summary of significant accounting policies and other explanatory notes from (1-6). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with the International Standard 34 (Interim Financial Reports). Our responsibility is to express a conclusion on this interim financial information 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 financial information does not give a true and fair view of the **Al-Sharq Investment Projects Co. (PLC)** financial position as at June 30th, 2021, and of its financial performance and its consolidated cash flows for the six month period then ended in accordance International Standard 34 (Interim Financial Reports).



Dweik & Co. (ACC)
Audit & Consult Consortium
Fadi Rafiq Dweik
Audit license No (779)



July 12th, 2021
Amman - Jordan

Al-Sharq Investment Projects Co. (PLC)
Amman – Jordan
Statement of Interim Financial Position as of June 30th, 2021

Assets	<u>30/6/2021/JD</u>	<u>31/12/2020/JD</u>
<u>Current Assets</u>		
Cash and cash equivalents	495044	329096
Checks under collection	19766	17163
Accounts' receivable - Net	48107	84892
Inventory	34839	36566
Refundable deposits	102316	102316
Other current assets	654981	423066
Total Current Assets	<u>1355053</u>	<u>993099</u>
<u>Non Current Assets</u>		
Operational assets	30144	60289
Financial assets at fair value through other comprehensive income	964080	693932
Intangible assets	6500	9750
Property, equipment & tools	17622705	18095741
Total Non Current Assets	<u>18623429</u>	<u>18859712</u>
Total Assets	<u>19978482</u>	<u>19852811</u>
<u>Liabilities & Owners' Equity</u>		
<u>Current Liabilities</u>		
Accounts' payable	67570	76122
Other current liabilities	432477	239452
Short term loan	88890	177780
Due to bank	28169	000
Total Current Liabilities	<u>617106</u>	<u>493354</u>
<u>None Current liabilities</u>		
Long term loan	488405	352941
<u>Owners' Equity</u>		
Capital	16000000	16000000
Statutory reserve	3637069	3637069
Voluntary reserve	28056	28056
Fair value adjustments through other comprehensive income	(496725)	(766873)
Retained earnings	(295429)	108264
Net Owners' Equity	<u>18872971</u>	<u>19006516</u>
Total Liabilities & Owners' Equity	<u>19978482</u>	<u>19852811</u>

“ The accompanying notes are an integral part of these statements ”

Statement (B)

Al-Sharq Investment Projects Co. (PLC)
Amman – Jordan
Statement of Interim Comprehensive Income
for the Period Ended June 30th, 2021, 2020

<u>Comprehensive income</u>	<u>30/6/2021</u> <u>JD</u>	<u>30/6/2020</u> <u>JD</u>
Operation's revenues	992126	1477756
Operation's cost	(311565)	(604619)
Gross operating income	680561	873137
Overhead expenses	(325094)	(454301)
Maintenance & energy expenses	(229705)	(288116)
Marketing & advertizing expenses	(74933)	(104989)
Depreciation	(506431)	(537720)
Management fees	(10164)	(12204)
Other revenue	62073	7951
(Loss) for the period / Comprehensive income	(403693)	(516242)
<u>Other Comprehensive income</u>		
Fair value adjustments through other comprehensive income	270148	(137567)
Total other comprehensive income	270148	(137567)
Total comprehensive income for the period	(133545)	(653809)
Earnings per share from comprehensive income for the period	000	000
Weighted Average Shares	16000000	16000000

“ The accompanying notes are an integral part of these statements ”

Statement (C)

Al-Sharq Investment Projects Co. (PLC)
Amman – Jordan
Statement of Interim Changes in Equity
for the Period Ended June 30th, 2021, 2020

Description	Capital		Statutory reserve		Voluntary reserve		Fair value adjustments through other comprehensive income		Retained (loss) earnings		Total	
	JD		JD		JD		JD		JD		JD	
Balance as of Dec. 31st, 2020	16000000		3637069		28056		(766873)		108264		19006516	
(Loss) for the period / Comprehensive income	000		000		000		000		(403693)		(403693)	
Other Comprehensive income												
Fair value adjustments through other comprehensive income	000		000		000		270148		000		270148	
Balance as of June 30th, 2021	<u>16000000</u>		<u>3637069</u>		<u>28056</u>		<u>(496725)</u>		<u>(295429)</u>		<u>18872971</u>	
Balance as of Dec. 31st, 2019	16000000		3637069		28056		(679861)		1365575		20350839	
(Loss) for the period / Comprehensive income	000		000		000		000		(516242)		(516242)	
Other Comprehensive income												
Fair value adjustments through other comprehensive income	000		000		000		(137567)		000		(137567)	
Balance as of June 30th, 2020	<u>16000000</u>		<u>3637069</u>		<u>28056</u>		<u>(817428)</u>		<u>849333</u>		<u>19697030</u>	

“The accompanying notes are an integral part of these statements”

Statement (D)

Al-Sharq Investment Projects Co. (PLC)
Amman – Jordan
Statement of Interim Cash Flows
for the Period Ended June 30th, 2021, 2020

	<u>30/6/2021</u>	<u>30/6/2020</u>
	<u>JD</u>	<u>JD</u>
<u>Cash Flows From Operating Activities:</u>		
Total comprehensive income for the period	(133545)	(653809)
<u>Adjustments:</u>		
Depreciation	506431	537720
Adjustments on financial assets	(270148)	137567
Operating income before working capital changes:	102738	21478
Accounts' receivable and other current assets	(196006)	32013
Accounts' payable and other current liabilities	184473	(257957)
Net cash flows from operating activities	91205	(204466)
<u>Cash Flows From Investing Activities:</u>		
Property, plant & equipment	000	(91330)
Net cash flows from investing activities	000	(91330)
<u>Cash Flows From Financing Activities:</u>		
Due to bank	28169	47702
Loan	46574	(59260)
Net cash flows from financing activities	74743	(11558)
Net change in cash and cash equivalents	165948	(307354)
Cash & cash equivalents at beginning of the period	329096	878622
Cash & cash equivalents at end of the period	495044	571268

“The accompanying notes are an integral part of these statements”

Al-Sharq Investment Projects Co. (PLC)
Amman – Jordan
Notes to Interim Financial Statements
June 30th, 2021

1- Constitution and objectives:

- A-** Al-Sharq Investment Projects Company is registered as a public shareholding company under the No. (258) with issued capital of JD (16000000) /share after the merger of al-Shark Investment Projects Company with al-Shark For Hotel & Tourism Company (LLC) on 1/10/2005, and the merger was approved by the Minister of Industry on 20/3/2006. The Company's opening balances resulting from the merger were recorded by the revaluated amounts.
- B-** The Company owns a hotel operating under the name “ Holiday Inn Hotel- Amman” which was opened in 1999 and managed by Holiday Inn Group (Inter Continental Group) under a management agreement signed during 1995, which some of its items has been amended during the following years and has been extended until 14/7/2019. On 10/2/2019 the Board of Directors decided to terminate the above mentioned management contract starting from the date of its expiry on 14/7/2019, and agreed with Mövenpick Hotels & Resorts to manage and operate the Hotel starting 15/7/2019.
- C-** The financial statements were approved by the board of directors on 12/July / 2021, and it is subject to be approved by the general assembly.
- D- Objectives:**
To establish and manage hotels and tourist resorts and managing of subsidiaries or participating in the management of other companies in which they contribute.

2- Significant accounting policies:

The interim financial statements are prepared under the International Standard 34 (Interim Financial Reports) and the related interpretations originated by the International financial Reporting Interpretations Committee.

The interim financial statements do not include all significant matters and explanatory notes that are required for the annual financial statements and are prepared in accordance with the International Financial Reporting Standards, in addition the interim financial performance is not necessarily represents an indicator of the annual financial performance.

Accounting policies are implemented on consistent bases in the financial statements as previously implemented.

3- Corporate Tax position:

- ◆ The tax position of the Company was finalized with Income and Sales Tax Department till end of the year 2016, in addition to the year 2018.
- ◆ Tax declaration of the Company for the years 2020, 2019, 2017 were submitted to Income and Sales Tax Department, and tax assessment still not made by the Department yet.

4- **Contingencies**

- a- There are labor lawsuits filed against the Company amounted JD (41205).
- b- There are contingent liabilities at the date of the financial statements have been arise as a result of L/G's for an amount of JD (4325) after deducting the counter deposits.
- c- **The impact of the Corona pandemic:**
As a result of the spread of the Corona pandemic in the world, this has made it difficult to predict the full impact of this pandemic on the Company's activities, business and determine the duration of this pandemic, which has created a state of uncertainty about the potential impact of the pandemic, and based on management's assessment, the uncertainty will not materially affect the going concern assessment of the Company. Where the management believes that the impact of the pandemic is minimal on the expected credit loss of the Company's assets, and the book value of non-financial assets will not be affected significantly. The business market remains volatile and the recorded balances of the assets and liabilities of the Company are sensitive to market fluctuations and the Company's management will monitor in a continuous and accurate manner the risks and contingent liabilities, and necessary precautions will be taken.

5- **Operating Segments:**

The Company carries out its activities through a major activity of establishing and managing of hotels. The financial statements include the financial performance of the company's hotel.

6- **General:**

Attention must be drawn to the effect of the Jordan Securities Commission regulations and Jordanian Companies Law on calculating statutory reserve only on the realized earnings bases, as well as presenting the unrealized earnings separately in the retained earnings item. Attention to be drawn to restrictions on the distributing dividends for unrealized earnings.