

**Amoun International for Investments
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan**

**Consolidated financial statement
and independent auditor's report
for the year ended December 31, 2021**

**Amoun International for Investments
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan**

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Independent Auditor's Report

To Messrs. Shareholders
Amoun International for Investments
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Amoun International for Investments (Public Shareholding Company), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the consolidated Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of a matter

We refer to notes no. (6) & (19) of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Investment property

According to the requirements of International Financial Reporting Standards, investment property is initially measured at cost including transaction costs, and a test for impairment is made for the investment property in the consolidated statement of financial position when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication of impairment exists, impairment loss is calculated according to the assets impairment policy.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standard, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's consolidated financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standard on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Scope of audit

Audit procedures that we have conducted among other matters included getting an appraisal from real estate experts in order to help us determine the market value of the investment property as at the date of consolidated financial statements.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group consolidated financial statement. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company has proper accounting records which are, in all material respects, consistent with the accompanying consolidated financial statements, accordingly, we recommend to approve these consolidated financial statements by the general assembly.

Talal Abu-Ghazaleh & Co. International

Mohammad Al-Azraq
(License # 1000)

Amman - March 2, 2022

**Amoun International for Investments
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan**

Consolidated statement of financial position as at December 31, 2021

	Note	2021	2020
		JD	JD
ASSETS			
Non-current Assets			
Property and equipment	3	5,641,478	5,789,616
Investment properties	4	667,257	667,257
Intangible asset	5	8,529	12,793
Total Non-Current Assets		6,317,264	6,469,666
Current Assets			
Aragen Biotechnology Co. receivable	6	100,000	900,000
Financial assets at fair value through profit or loss	7	12,600	14,800
Other debit balances	8	53,235	63,792
Operator receivable		2,869	14,197
Trade receivables	9	20,170	3,801
Cash and cash equivalents	10	1,334,644	913,345
Total Current Assets		1,523,518	1,909,935
TOTAL ASSETS		7,840,782	8,379,601
EQUITY AND LIABILITIES			
Equity			
Capital		6,180,371	6,180,371
Statutory reserve	11	346,839	346,839
Retained earnings		1,204,237	1,313,950
Total Equity		7,731,447	7,841,160
Liabilities			
Non-Current Liabilities			
Loan	12	-	74,927
Current Liabilities			
Loan - current portion	12	73,965	216,000
Other credit balances	13	23,419	57,261
Trade payables		11,951	190,253
Total Current Liabilities		109,335	463,514
Total Liabilities		109,335	538,441
TOTAL EQUITY AND LIABILITIES		7,840,782	8,379,601
Contra accounts			
Notes receivable to repay a debt		100,000	900,000

The accompanying notes form part of these financial statements

**Amoun International for Investments
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan**

Consolidated statement of comprehensive income for the year ended December 31, 2021

	Notes	2021	2020
		JD	JD
Hotel operating revenues	14	419,010	227,579
Hotel operating expenses	15	<u>(319,544)</u>	<u>(338,047)</u>
Hotel operating profit (loss)		99,466	(110,468)
Other revenues	16	89,430	23,961
Depreciation and amortization		(185,345)	(180,217)
Administrative expenses	17	(102,803)	(107,270)
Losses of financial assets at fair value through profit or loss	7	(2,200)	(8,000)
Finance costs		<u>(8,261)</u>	<u>(14,075)</u>
Loss		<u>(109,713)</u>	<u>(396,069)</u>
Weighted average number of shares during the year		<u>6,180,371 Share</u>	<u>6,180,371 Share</u>
Basic loss per share	18	<u>JD (-\018)</u>	<u>JD (-\064)</u>

The accompanying notes form part of these financial statements

Amoun International for Investments
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated statement of changes in equity for the year ended December 31, 2021

	Capital		Statutory reserve		Retained earnings		Net	
	JD		JD		JD		JD	
Balance as at January 1, 2020	6,180,371		346,839		1,710,019		8,237,229	
Loss	-		-		(396,069)		(396,069)	
Balance as at December 31, 2020	6,180,371		346,839		1,313,950		7,841,160	
Loss	-		-		(109,713)		(109,713)	
Balance as at December 31, 2021	6,180,371		346,839		1,204,237		7,731,447	

The accompanying notes form part of these financial statements

**Amoun International for Investments
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan**

Consolidated statement of cash flows for the year ended December 31, 2021

	2021	2020
	JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss	(109,713)	(396,069)
Adjustments for :		
Depreciation and amortization	185,345	180,217
Loss on disposal of property and equipment	6,577	-
Change in fair value of financial assets at fair value through profit or loss	2,200	8,000
Expected credit losses	4,236	4,934
Recovery of expected credit loss allowance	(2,000)	-
Recovery of litigation provision	(12,056)	-
Change in operating assets and liabilities:		
Aragen Biotechnology Co. receivable	800,000	1,150,000
Operator receivable	11,328	(14,197)
Other debit balances	12,557	26,588
Trade receivables	(20,605)	(8,735)
Other credit balances	(21,786)	(131,780)
Trade payables	(178,302)	(17,533)
Net cash from operating activities	677,781	801,425
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(40,566)	(87,973)
Proceeds from sale of property and equipment	1,046	-
Net cash from investing activities	(39,520)	(87,973)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan	(216,962)	(71,038)
Net cash from financing activities	(216,962)	(71,038)
Net change in cash and cash equivalents	421,299	642,414
Cash and cash equivalents - beginning of year	913,345	270,931
Cash and cash equivalents - end of year	1,334,644	913,345

The accompanying notes form part of these financial statements

**Amoun International for Investments
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan**

Notes to the consolidated financial statements for the year ended December 31, 2021

1. Legal status and activities

- Legal status and activity for the parent company and its subsidiary as follows:

Company's Name	Legal status	Ownership percentage %	Record date at the Ministry of Industry and Trade	Record number	The main objectives of the company
Amoun International for Investments	Public shareholding company	-	April 28, 2008	452	Investing in real estate, agricultural, industrial, therapeutic, tourism, service and financial fields.
Rawat Ammoun Tourism Investments Co.	Limited liability	100	August 21, 2014	37916	Purchase lands, build apartments and residential complexes and other.

- On August 15, 2019 a managing agreement was signed between Rawat Ammoun Tourism Investment Co. and Firas Bashir establishment for Managing and Operating Hotels for that it is the operator for the Hotel. The duration of this agreement is 5 contract years renewed every year with the consent of the two parties, and in case of that the company terminate the agreement without a legal justification then the company is obligated to pay the average percentage of profits achieved to the operator in the period before the termination of the contract multiplied by each year of the remaining years of this agreement.
- This agreement begins on August 15, 2019 and ends on August 15, 2024.
- The operator is entitled to a percentage of the net profit after deducting all expenses, fees, taxes and all items related to operating expenses, wherever they are mentioned, where this percentage is according to the following:
 - 7% if the net profit to revenue ratio is less than 10%.
 - 10% if the net profit percentage of revenues exceeds 10%.
- The operator shall commit to ensuring that the average monthly salaries for hotel workers are between 15,000 - 20,000 Jordanian dinars, and any increase from that will deduct from his dues.
- Operating expenses include the following:
 - Cost of consumables and goods.
 - Salaries and related expenses (including meals and uniforms for employees, social security, health insurance, and incentive commissions).
 - Power, water, telephones and telecommunications supplies.
 - Carry out regular repair and maintenance work required to maintain the hotel, operating equipment, furniture, fixtures and equipment.
 - Cost of operating supplies, operating equipment and materials.
 - Commissions for travel and tourism agencies, whether existing companies or websites of electronic reservation companies.
 - Taxes payable or expected in relation to the operation of the hotel, all taxes and fees, whatever their type, form, or description, licensing fees at all official authorities, and revenue taxes imposed on company or operator profits in accordance with the applicable laws and other taxes.
 - All fees and expenses related to monitoring and auditing of accounts or legal aspects related to the operation of the hotel, including what legal advisors receive.
 - Bad debts and doubtful debts after obtaining written approval from the company
 - Management, operation, supervision and follow-up fees.
- The financial statements were approved by the board of directors in its session number (1/2022) held on March 1, 2022 and requires the approval of the general assembly of shareholders.

2. Basis for preparation of financial statements and significant accountant policies

2-1 Basis for financial statement preparation

- Financial statements preparation framework

The financial statements have been prepared in accordance with International Financial Reporting Standards issued by International Accounting Standard Board.

- Measurement bases used in preparing the financial statements

The financial statements have been prepared on the historical cost basis except for measurement of certain items at bases other than historical cost.

- Functional and presentation currency

The financial statements have been presented in Jordanian Dinar (JD) which is the functional currency of the entity.

2-2 Using of estimates

- When preparing of financial statements, management uses judgments, assessments and assumptions that affect applying the accounting policies and currying amounts of assets, liabilities, revenue and expenses. Actual result may differ from these estimates.
- Change in estimates are reviewed on a constant basis and shall be recognized in the period of the change, and future periods if the change affects them.
- For example, estimates may be required for expected credit losses, useful lives of depreciable assets, provisions, and any legal cases against the entity.

2-3 Standards and Interpretations issued that became effective

Standard number or interpretation	Description	Effective date
<p>Amendments to IFRS 16 Covid-19-related Rent Concessions.</p>	<p>As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments.</p> <p>In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.</p> <p>Main Changes :</p> <ul style="list-style-type: none"> - Permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021); - Require a lessee applying the amendment to do so retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment. 	<p>June 1, 2020 / April 1, 2021</p>
<p>Interest Rate Benchmark Reform Phase 2 Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39.</p>	<p>In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7 IFRS 4 and IFRS 16 to address the issues that arise during the reform' of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.</p> <p>The Phase 2 amendments provide the following reliefs:</p> <ul style="list-style-type: none"> - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. - The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded. 	<p>January 1, 2021</p>

Standards and Interpretations issued but not yet effective

Standard number or interpretation	Description	Effective date
Amendments to IFRS 1 Subsidiary First-time Adoption of International Financial Reporting Standards.	Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture.	January 1, 2022
IFRS (17) Insurance Contracts.	<p>IFRS (17) was issued in May 2017 as replacement for IFRS (4) Insurance Contracts.</p> <p>It requires a current measurement model where estimates are remeasured in each reporting period.</p> <p>Contracts are measured using the building blocks of:</p> <ul style="list-style-type: none"> • discounted probability-weighted cash flows • an explicit risk adjustment, and • a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. <p>IFRS (17) requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts</p>	January 1, 2023 (deferred from January 1, 2021).
Amendments to IAS (16) Property, Plant and Equipment.	The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.	January 1, 2022.
Reference to the Conceptual Framework (Amendments to IFRS 3).	Minor amendments were made to IFRS 3 to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The amendments also confirm that contingent assets should not be recognised at the acquisition date.	January 1, 2022.
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).	The amendments specify that the “cost of fulfilling” a contract comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	January 1, 2022.
IFRS Standards 2018-2020.	Annual Improvements to IFRS 9, IFRS 16, IFRS 1 and IAS 41.	January 1, 2022.

Notes to the consolidated financial statements for the year ended December 31, 2021

Standard number or interpretation	Description	Effective date
Classification of Liabilities as Current or Non-Current Amendments to IAS (1).	<p>The amendments to Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date .</p> <p>The amendments in Classification of Liabilities as Current or Non-current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position – not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items.</p>	January 1, 2023 (deferred from January 1, 2022).
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).	<p>The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, International Accounting Standards Board (IASB) has also developed guidance and examples to explain and demonstrate the application of the “four-step materiality process” described in IFRS Practice Statement 2. Once the entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement (2). The amendments are to be applied prospectively</p>	January 1, 2023.
Definition of Accounting Estimates (Amendments to IAS 8).	<p>On February 12, 2021, the International Accounting Standards Board (IASB) published "Definition of Accounting Estimates ".</p> <p>The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.</p>	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single transaction (Amendments to IAS 12 Income Taxes)	<p>The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and affected entities would be require recognition of additional deferred tax assets and liabilities.</p> <p>That means the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.</p>	January 1, 2023

2-4 Summary of significant accounting policies

– Basis of consolidation

- The consolidated financial statements comprise the financial statements of the parent company and Rawat Ammoun Tourism Investments Co. (subsidiary) which is 100% controlled by the company.
- Control is presumed to exist when the parent is exposed, or has rights, to variable returns from its involvement through its power over the investee, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control.
- Intergroup balances, transactions, income and expenses shall be eliminated in full.

– Property and equipment

- Property and equipment are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.
- After initial recognition, the property and equipment are carried, in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.
- The depreciation charge for each period is recognized as expense. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed over the estimated useful life of the assets using the following rates:

<u>Category</u>	<u>Depreciation rate</u>
	%
Buildings	2
Kitchen machinery and equipment	15
Furniture and decorations	20
Apartment	2
Electronic devices	15
Solar energy system	5
Linens and accessories	20
Computer hardware and software	25
Office equipment	20
Vehicles	15

- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the property and equipment, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.
- Amount paid to build up property and equipment are initially carried to projects under construction account. When the project becomes ready for use, it will be transferred to property and equipment caption.

– **Investment property**

- Investment property is property (land or building- or part of a building- or both):
 - Held by the entity to earn rentals,
 - For capital appreciation, or both, rather than for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.
- Investment property is measured initially at its cost, including transaction costs.
- After initial recognition, investment property is carried, in the statement of financial position, at its cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.
- Buildings depreciation charge for each period is recognized in the statement of comprehensive income. Depreciation is calculated on a straight line basis, which reflects the pattern in which the buildings' future economic benefits are expected to be consumed by the entity over their estimated useful life of 25 years.
- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of investments property are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the investment property, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.

– **Intangible assets**

- Intangible assets are identifiable non-monetary assets without physical substance.
- Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses.
- Acquisition costs comprise the purchase price and other costs directly attributable to preparing the assets for their intended use.
- Amortization charge is recognized as loss, on a straight-line basis over the following useful lives of intangible assets.
- The estimated useful lives are reviewed at each financial year-end, with the effect of any changes in estimate being accounted for on a prospective basis.
- The carrying values of intangible assets are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairment loss is calculated in accordance with impairment of assets policy.

– **Impairment of non-financial assets**

- At each statement of financial position date, management reviews the carrying amounts of its non-financial assets (property, plant and equipment and investment property) to determine whether there is any indication that those assets have been impaired.
- If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset.
- For the purpose of impairment valuation, assets are grouped at the lower level that have cash flow independently (cash generating unit), previous impairment for non-financial assets (excluding goodwill) is reviewed for the possibility of reversal at the date of the financial statements.

- An impairment loss is recognized immediately as loss.
- Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately as income.
- **Financial instruments**
Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

– **Financial assets**

- A financial asset is any asset that is:
 - (a) Cash;
 - (b) An equity instrument of another entity;
 - (c) A contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.
 - (d) A contract that will or may be settled in the entity's own equity instruments.
- Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset, but for financial assets at fair value through profit or loss, transaction costs are recognized in profit or loss.
- Financial assets are classified to three categories as follows:
 - Amortized cost.
 - Fair value through other comprehensive income.
 - Fair value through profit or loss.

Subsequent measurement of financial assets

Subsequently financial assets are measured as follows:

Financial assets	Subsequent measurement
Financial assets at fair value through profit or loss	Are subsequently measured at fair value net gains or losses, including interests revenues or dividends, are recognized in profit or loss

Derecognition of financial assets

Derecognition of financial assets (or a part of a group of similar financial assets) when:

- The contractual rights to the cash flow from the financial assets expire, or
- It transfers the contractual rights to receive the cash flows of the financial assets or assume a contractual obligation to pay the cash flows entirely to a third party.

– **Financial liabilities**

- A financial liability is any liability that is:
 - (a) A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
 - (b) A contract that will or may be settled in the entity's own equity instruments.
- Financial liabilities are initially recognized at fair value less transaction costs, directly attributable to the acquisition or issue of those liabilities, except for the financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

- After initial recognition, the entity measures all financial liabilities at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss which are measured at fair value and other determined financial liabilities which are not measured under amortized cost method.
 - Financial liabilities at fair value through profit or loss are stated at fair value, with any resulting gain or loss from change in fair value is recognized through profit or loss.
- Trade payables and accruals**
- Trade payables and accruals are liabilities to pay for goods or services that have been received or supplied and have been either invoiced or formally agreed with the suppliers or not.
- Offsetting financial instruments**
- A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, an entity currently has a legally enforceable right to set off amounts and intends to either settle in a net basis, or through realize the asset and settle the liability simultaneously.
- Cash and cash equivalents**
- Cash comprises cash on hand, current accounts and short term deposits at banks with a maturity date of three months or less, which are subject to an insignificant risk of changes in value.
- Trade receivables**
- Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
 - Trade receivables are stated at invoices (claims) amount net of allowance for expected credit losses which represents the collective impairment of receivables.
- Impairment of financial assets**
- At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVTOCI are credit - impaired. A financial assets is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.
 - The entity recognizes loss allowance for expected credit loss (ECL) on:
 - Financial assets measured at amortized cost.
 - Debt investments measured at FVOCI.
 - Contract assets.
 - The entity measures loss allowances at an amount equal to lifetime ECLs.
 - Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.
 - When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Entity considers reasonable and supportable information that is relevant and available without undue cost or effort based in the entity's historical experience and forward looking information.
 - The entity considers a financial asset to be in default when:
 - The client is unlikely to pay its credit obligations to the entity in full, without recourse by the entity to actions such as realizing security (if any); or
 - The financial asset is more than 360 days past due.
 - Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.
 - A financial assets is written off when there is no reasonable expectation of recovering the contractual cash flows. The entity write off the gross carrying amount of the financial asset in case of, liquidation, bankruptcy or issuance of a court ruling to reject the claim for financial asset.

– **Basic earnings per share from loss or profit**

Basic earnings per share is calculated by dividing profit or loss, attributable to ordinary shareholders, by the weighted average number of ordinary shares outstanding during the year.

– **Revenue recognition**

- The entity recognize revenue from sale of good and rendering of service when control is transferred to the customer.
- Revenues are recognized based on consideration specified in contract with customer that expected to be received excluding amounts collected on behalf of third parties.
- Revenue is reduced for amount of any trade discounts and volume rebates allowed by the entity.

Rendering of service

Revenue resulting from the contract of service providing was recognized by referring to the percentage of operation at the date of financial statement.

Dividend and interest revenue

- Dividend revenue from investments is recognized when the shareholder's right to receive payment is established.
- Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

– **Borrowing costs**

- Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.
- Borrowing costs are expensed in the period in which they are incurred.

– **Foreign currencies**

- Transactions in currencies other than the functional currency (foreign currencies) are converted according to the exchange rates prevailing on the date of the transactions.
- In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement date (closing rate). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.
- Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

– **Contingent liabilities**

- Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably.
- Contingent liabilities are not recognized in the financial statements.

Amoun International for Investments
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Notes to the consolidated financial statements for the year ended December 31, 2021

3. Property and equipment

	2021		Buildings (*)		Kitchen machinery and equipment		Furniture and decorations		Apartment		Electronic devices		Solar energy system		Linens and accessories		Computer hardware and software		Office equipment		Vehicles		Project under construction		Total		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Cost																											
Balance - beginning of year	2,000,000	3,005,433	289,984	300,561	260,000	128,413	29,330	29,195	25,913	2,563	11,550	17,880	6,100,842														
Additions	-	5,487	6,309	3,026	-	22,017	-	2,207	1,300	190	-	-	40,566														
Transferred	-	17,880	-	-	-	-	-	-	-	-	-	(17,880)	-														
Disposals	-	-	(645)	(5,225)	-	(4,500)	-	-	-	-	-	-	(10,570)														
Balance - end of year	2,000,000	3,028,800	295,648	298,362	260,000	145,960	29,330	31,402	27,213	2,753	11,550	17,880	6,131,038														
Accumulated depreciation																											
Balance - beginning of year	-	60,049	43,498	101,581	62,458	19,262	-	5,839	6,478	512	11,549	-	311,226														
Depreciation	-	60,049	44,055	35,249	5,200	21,134	1,467	6,060	6,614	529	-	-	181,081														
Disposals	-	-	(185)	(1,437)	-	(1,125)	-	-	-	-	-	-	(2,747)														
Balance - end of year	-	120,542	87,348	135,393	67,658	39,271	1,467	11,899	13,092	1,041	11,549	-	489,560														
Net	2,000,000	2,908,258	208,300	162,969	192,342	106,689	27,863	19,503	14,121	1,712	1	-	5,641,478														
Cost																											
Balance - beginning of year	2,000,000	2,978,189	286,393	291,145	260,000	119,221	-	29,195	25,913	2,563	11,550	-	6,012,869														
Additions	-	27,244	3,591	1,416	-	8,492	29,330	-	-	-	-	17,880	87,973														
Balance - end of year	2,000,000	3,005,433	289,984	300,561	260,000	128,413	29,330	29,195	25,913	2,563	11,550	17,880	6,100,842														
Accumulated depreciation																											
Balance - beginning of year	-	-	-	66,467	57,238	-	-	-	-	-	-	-	133,274														
Depreciation	-	60,049	43,498	35,114	5,200	19,262	-	5,839	6,478	512	-	-	175,952														
Balance - end of year	-	60,049	43,498	101,581	62,458	19,262	-	5,839	6,478	512	11,549	-	311,226														
Net	2,000,000	2,945,384	246,486	198,980	197,542	109,151	29,330	23,556	19,435	2,051	1	17,880	5,769,616														

(*) The building items mentioned above includes finance costs amounted JD 29,615 as at December 31, 2021.

4. Investment properties

The average market value of investment lands according to the assessment of two real estate experts on December 8 & 11, 2021 amounted to JD 775,004 with an increase of JD 107,747.

5. Intangible asset

2021	Website JD
Cost	
Balance - beginning of year	12,793
Amortization	(4,264)
Balance - end of year	8,529
<hr/>	
2020	
Cost	
Balance - beginning of year	17,058
Amortization	(4,265)
Balance - end of year	12,793

6. Aragen Biotechnology Co. receivable

On July 19, 2017, the decision of the Jury was issued on the case of annulment of sale agreement that was signed between Amoun International for Investments Co. and The Jordanian Pharmaceutical Manufacturing Co. which is related to the purchase of shares in Aragen Biotechnology Co on 2009. it was decided to terminate the contract retroactively and considering the agreement as if it was not, and restore the situation to what it was before contracting. According to the decision of annulment, The Jordanian Pharmaceutical Manufacturing Co. was obliged to return the agreed amount subject to the agreement to Amoun International for Investments Co. plus the material damage arising from the disruption of some of the agreement items, in addition to all the expenses of the case amounted to JD 3,871,313 (three million eight hundred seventy-one thousand three hundred thirteen Jordanian Dinars) plus 9% legal interest on the total amount awarded from the date of the legal warning till the complete payment. Knowing that this judgement is subject to appeal.

On October 25, 2018, a reconciliation agreement was signed between the company and the Jordanian Pharmaceutical Manufacturing Co. to pay the amount of JD 3,500,000, which represents the total amount due to Amoun International for Investments Co. on behalf of its share in the company and as a compensation for the accumulated losses incurred by Amoun International for Investments Co. during the previous years for its investment in the company. JD 500,000 was received upon signature and the remaining amount will be paid In 10 quarterly installments guaranteed by bills provided by the Jordanian Pharmaceutical Manufacturing Co. and also, guaranteed by Jordanian Islamic Bank, the first installment will be accrued on January 30, 2019 and the last installment will be accrued by the end of the first quarter of 2022. Accordingly, Amoun International for Investments will waive its share in the company.

7. Financial assets at fair value through profit or loss

	2021	2020
	JD	JD
Balance - beginning of year	14,800	22,800
Change in fair value	(2,200)	(8,000)
Balance - end of year	<u>12,600</u>	<u>14,800</u>

8. Other debit balances

	2021	2020
	JD	JD
Prepaid expenses	18,712	16,790
Refundable deposit	14,390	14,390
Work advances	5,787	4,798
Prepaid to Income and Sales Tax Department	5,024	19,840
Employees receivable	4,577	2,282
Accrued interest revenue	4,285	2,305
Prepaid to suppliers, net (*)	425	-
Other	35	270
Prepaid to Social Security Corporation	-	3,117
Total	<u>53,235</u>	<u>63,792</u>

(*) Movement on prepaid to supplier during the year is as follows:

	2021	2020
	JD	JD
Prepaid to suppliers	1,935	3,510
Less: Allowance for expected credit losses (**)	(1,510)	(3,510)
Net	<u>425</u>	<u>-</u>

(**) Movement on allowance for expected credit losses on prepaid to suppliers during the year is as follows:

	2021	2020
	JD	JD
Balance - beginning of year	3,510	3,510
Recovery of provision expected credit loss	(2,000)	-
Balance - end of year	<u>1,510</u>	<u>3,510</u>

9. Trade receivables

	2021	2020
	JD	JD
Trade receivables	89,598	69,235
Less : Allowance for expected credit losses (*)	(69,428)	(65,434)
Net	20,170	3,801

(*) Movement on allowance for expected credit losses during the year is as follows:

	2021	2020
	JD	JD
Balance - beginning of year	65,434	60,500
Provided during the year	4,236	4,934
Receivables written off	(242)	-
Balance - end of year	69,428	65,434

10. Cash and cash equivalents

	2021	2020
	JD	JD
Deposit at bank (*)	1,150,000	600,000
Current accounts at banks - Jordanian Dinar	182,172	312,850
Current account at bank - US Dollar	2,472	315
Cash on hand	-	180
Total	1,334,644	913,345

(*) The deposit mentioned above is tied for one year with an interest rate of 4.25%.

11. Statutory reserve

Parent Company - Public Shareholding Company

- Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals one quarter of the Company's subscribed capital. However, the Company may, with the approval of the General Assembly, continue to deduct this annual ratio until this reserve equals the subscribed capital of the Company in full. Such reserve is not available for dividends distribution.
- For the general assembly after exhausting other reserves to decide in an extraordinary meeting to quench its losses from the accumulated amounts in statutory reserve, and to rebuild it in accordance with the provisions of the law.

Subsidiary Company - Limited Liability Company

- Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals of the Company's subscribed capital. Such reserve is not available for dividends distribution.
- For the general assembly after exhausting other reserves to decide in an extraordinary meeting to quench its losses from the accumulated amounts in statutory reserve, and to rebuild it in accordance with the provisions of the law.

12. Loan

This item represents the remaining amount of the loan provided by Capital Bank, the loan is payable under 42 equal monthly installments except for the last payment. The first payment was due on November 16, 2018 and the last will be due on April 16, 2022 the loan was granted by the financial position of the company.

13. Other credit balances

	<u>2021</u>	<u>2020</u>
	JD	JD
Accrued expenses	15,718	23,794
Sales and Income Tax Department deposits	2,866	354
Social security deposits	2,266	9,147
Unearned revenues	1,695	1,796
Deffered check	874	-
Litigation provision (*)	-	21,256
Unpaid accrued interest	-	914
Total	<u><u>23,419</u></u>	<u><u>57,261</u></u>

(*) Movement on litigation provision during the year is as follows:

	<u>2021</u>	<u>2020</u>
	JD	JD
Balance - beginning of year	21,256	21,256
Paid during the year	(9,200)	-
Recovery of litigation provision	(12,056)	-
Balance - end of year	<u><u>-</u></u>	<u><u>21,256</u></u>

14. Hotel operating revenues

	<u>2021</u>	<u>2020</u>
	JD	JD
Rooms	341,468	181,481
Food and beverage	47,943	36,861
Banquet hall	20,054	7,184
Other	9,545	2,053
Total	<u><u>419,010</u></u>	<u><u>227,579</u></u>

15. Hotel operating expenses

	2021	2020
	JD	JD
Departments expenses (15/a)	168,499	164,194
Administrative expenses (15/b)	67,324	85,931
Services expenses	42,869	47,873
Maintenance department expenses	30,817	21,052
Marketing expenses	10,035	18,997
Total	319,544	338,047

(15/a) Departments expenses

	2021	2020
	JD	JD
Rooms (*)	91,127	73,673
Food and beverage (**)	57,880	83,862
Banquet hall	10,305	489
Other	9,187	6,170
Total	168,499	164,194

(*) Rooms Cost

	2021	2020
	JD	JD
Salaries, wages and related benefits	28,106	30,412
Agent commissions	27,044	6,143
Consumables	15,303	17,858
Guest supplies	8,615	3,973
Cleaning	3,304	4,709
Social security contribution	3,191	3,211
Health insurance	2,054	3,448
Staff meals	2,006	493
Stationery and printing	926	2,732
Uniform	571	80
Miscellaneous	7	614
Total	91,127	73,673

(**) Food and beverage cost

	2021	2020
	JD	JD
Salaries, wages and related benefits	26,903	35,123
Food and beverage	20,449	35,446
Social security contribution	2,712	3,126
Consumables	2,550	4,165
Health insurance	2,027	3,275
Staff meals	1,811	358
Guest supplies	626	292
Uniform	563	43
Cleaning supplies	137	296
Stationery and printing	102	351
Miscellaneous	-	1,387
Total	57,880	83,862

(15/b) Administrative expenses

	2021	2020
	JD	JD
Operator fees (*)	20,062	-
Computers	10,490	6,267
Subscriptions	8,354	5,163
Communications	7,557	2,852
Security	6,872	7,977
Commissions	5,288	11,625
Miscellaneous	3,917	3,690
Governmental fees and licenses	1,592	35,208
Travel and transportation	1,150	1,013
Public relations	622	649
Insurance	600	2,392
Stationery and printing	395	938
Banking	275	390
Professional fees	150	-
Penalties	-	7,767
Total	67,324	85,931

(*) This item represent operator portion from net income according to operation agreement, in addition to 3% from rooms revenue.

16. Other revenue

	2021	2020
	JD	JD
Bank interests	41,435	8,782
Service revenue	20,925	14,835
Earned discount	17,980	-
Recovery of litigation provision	12,056	-
Recovery of expexted credit losses allowance	2,000	-
Others	1,611	344
Loss on disposal property and equipment	(6,577)	-
Net	89,430	23,961

17. Administrative expenses

	2021	2020
	JD	JD
Salaries, wages and related benefits	43,560	52,599
Professional fees	21,400	13,700
Governmental fees and subscriptions	10,935	10,054
Social security contribution	5,893	9,429
Health insurance	4,689	4,604
Expected credit losses	4,236	4,934
Maintenance	3,619	2,301
Communication	1,905	2,135
Miscellaneous	1,508	120
Vehicles expenses	1,265	1,057
Water and electricity	1,247	1,093
Cleaning	929	703
Staff meal	573	502
Travel and transportations	270	-
Legal expenses	200	-
Stationery and printings	197	162
Hospitality	145	146
Bank interests and commissions	132	216
General assembly meeting expense	100	3,515
Total	102,803	107,270

18. Basic loss per share

	2021	2020
	JD	JD
Loss	(109,713)	(396,069)
Weighted average number of share	6,180,371	6,180,371
Basic loss per share	JD (-\018)	JD (-\064)

19. Accumulated losses for subsidiary

The accumulated losses of Rawaat Ammon Company for Tourism Investments (limited liability) at the date of the statement of financial position amounted to JD 432,577 representing 288% of the company's capital.

Article No. (75) of the Companies Law No. (22) for the year 1997 and its amendments indicates that [should the Limited Liability Company's losses amount to three quarters of its capital, the Company shall be liquidated unless the General Assembly decides in an extraordinary meeting to increase the Company's capital to deal with the losses or quench the losses in accordance with the accredited international accounting and auditing standards, provided that the total of the remaining losses does not exceed half of the Company's capital in both cases]. According to the future plan set by the company's management, the company will quench the accumulated losses in the partner's payable account during 2022.

20. Legal cases

According to the lawyer letter, there are legal cases raised by the company against others as at the balance sheet date amounting to JD 120,000 and those legal cases are still pending with the competent courts.

21. Tax status

Parent

Sales and income tax status has not been settled for 2017, 2018, 2019 and 2020. According to the opinions of management and tax consultant, there is no need to take any provisions and the company will not have any future financial tax obligations.

Subsidiary

Income Tax

Sales and income tax status has been settled for 2019 and 2020 According to the management and tax consultant's opinions, there is no need to take any provisions and the company will not have any future financial tax obligations.

Sales Tax

Sales and income tax status has been settled for 2017, 2018, 2019, 2020. According to the management and tax consultant's opinions, there is no need to take any provisions and the company will not have any future financial tax obligations.

22. Risk management

a) Capital risk:

Regularly, the capital structure is reviewed and the cost of capital and the risks associated with capital are considered. In addition, capital is managed properly to ensure continuing as a going concern while maximizing the return through the optimization of the debt and equity balance.

b) Currency risk:

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The risk arises on certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year.
- Certain procedures to manage the exchange rate risk exposure are maintained.
- Most of foreign currency transactions are in USD, and JD exchange rate is fixed against USD.
- The following table represents foreign currencies as at December 31, 2021:

Description	Currency	Exchange rate against Jordanian Dinar	Amount in foreign currency	Amount in local currency (JD)
Current account at bank	US Dollar	-/708	3,492	2,472

c) Interest rate risk:

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- The risk arises on exposure to a fluctuation in market interest rates resulting from borrowings and depositing in banks.
- The risk is managed by maintaining an appropriate mix between fixed and floating interest rates balances during the financial year.
- The following table shows the sensitivity of profit or loss and equity to changes in interest rates received by the entity on its deposits with banks and on interest rates paid by the entity on borrowing from the banks:

As of December 31, 2021	Change in interest	Effect on profit (loss) and equity
	%	JD
Deposits at banks	0.5 ±	5,750
Loan	0.5 ±	370

d) Other price risk:

- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- The risk arises from investing in equity investments.

Notes to the consolidated financial statements for the year ended December 31, 2021

- The following table shows the sensitivity to profit or loss and equity to the changes in the listed prices of investments in equity instruments, assuming no changes to the rest of other variables:

As of December 31, 2021	Change in price		Effect on profit (loss) and equity
	%		JD
Financial assets at fair value through profit or loss	5	±	630

As of December 31, 2020	Change in price		Effect on profit (loss) and equity
	%		JD
Financial assets at fair value through profit or loss	5	±	740

e) Credit risk:

- Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Regularly, the credit ratings of debtors and the volume of transactions with those debtors during the year are monitored.
- Ongoing credit evaluation is performed on the financial condition of debtors, also adequate provisions for doubtful receivables is taken.
- The carrying amount of financial assets recorded in the financial statements represents the - maximum exposure to credit risk without taking into account the value of any collateral obtained.

f) Liquidity risk:

- Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.
- Liquidity risk is managed through monitoring cash flows and matching with maturity dates of the financial assets and liabilities.
- The following table shows the maturity dates of financial assets and liabilities as of December 31:

Description	Less than a year		More than a year	
	2021	2020	2021	2020
	JD	JD	JD	JD
Assets				
Aragen Biotechnology Co. receivable	100,000	900,000	-	-
Financial assets at fair value through profit or loss	12,600	14,800	-	-
Other debit balances	34,098	43,885	-	-
Operator receivable	2,869	14,197	-	-
Trade receivables	20,170	3,801	-	-
Cash and cash equivalents	1,334,644	913,345	-	-
Total	1,504,381	1,890,028	-	-
Liabilities				
Loan	73,965	216,000	-	74,927
Other credit balances	21,724	34,209	-	-
Trade payables	11,951	190,253	-	-
Total	107,640	440,462	-	74,927

23. Financial statements for the subsidiary

The consolidated financial statements includes the financial statement of Rawat Amoun for Tourism Investments (subsidiary) and it is as follows:

<u>Paid capital</u>	<u>Percentage of ownership</u>	<u>Total assets</u>	<u>Total liabilities</u>	<u>Accumulated losses</u>
JD	%	JD	JD	JD
150,000	100	5,609,926	5,892,503	(432,577)

24. Fair value of financial instruments

- The entity shall classify measuring fair value methods using fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy of fair value of financial instruments have the following levels:
 - Level 1: listed prices (unadjusted) in active markets for identical assets or liabilities.
 - Level 2: inputs rather than prices listed in level 1 and observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
 - Level 3: inputs for the asset or liability is not based on comparable market data that can be observed (non-observable inputs).

<u>As December 31, 2021</u>	<u>Levels</u>	
	<u>1</u>	<u>Total</u>
	JD	JD
Financial assets		
Financial assets at fair value through profit or loss	12,600	12,600

25. Covid-19 effects

As a result of the outbreak of the new Corona Virus (COVID-19) in early 2020, its spread in several geographical areas around the world, including the Hashemite Kingdom of Jordan, and its impact on the world economy, the Jordanian Cabinet's decision of 17 March 2020 imposed a curfew law and suspended all business and economic activities in whole or in part until further notice, part of the Government's precautionary measures to combat the spread of the Corona Virus. Consequently, the majority of business activities in the Hashemite Kingdom of Jordan were affected by this decision. COVID-19 created uncertainty in the global economic environment.

In preparing the financial statements, management conducted an assessment of a company's viability as a continuous enterprise and of other risk management practices to manage potential disruptions to the business's operations and financial performance that may have been caused by an outbreak (COVID-19) by assessing the implications of the business's operations. As a result of the potential effects of the Corona virus, the management of the entity has taken forward information for at least the 12 months following the reporting period, both with regard to the negative effects of the virus on the functioning of the business process and the ability to repay its debts in the event that things return to normal within a reasonable period of time.

The entity examined the potential effects of current economic fluctuations in determining the amounts declared for the financial and non-financial assets of the entity, which represent the best management estimates based on observable information. Markets remain volatile and recorded amounts continue to be sensitive to market fluctuations.

These consequences have effects on the continuity of the company, future financial results, cash flows and its financial position. The company reduced a set of expenditures during the pandemic period to mitigate the effects of the Coronavirus, which was summarized by reducing the salaries of all employees by 36% for only one month from the ban period, in addition, to the company hired a certified real estate appraiser to re-evaluate the investment lands, and the result of the re-evaluation was an appreciation in the recoverable value of those lands by a value of JD 107,747 and an appreciation in the market from last year of JD 29,019.

As for the subsidiary company, it was excluded from the decisions issued by the government for some sectors, such as hotels sector, which the government used to quarantine people infected with the Coronavirus. Therefore, the hotel activity was not affected during the period of comprehensive ban because the Ministry of Health placed the infected people and those coming to the Hashemite Kingdom of Jordan in hotels for a period of more than two months. However, after the comprehensive ban period, the hotel's activity was significantly affected as a result of the cessation of foreign tourism activity, which forced the company to terminate a large number of employees and reduce the salaries of the remaining employees.

26. Reclassification

Some of 2020 balances has been reclassified to make them align with the classification used in 2021.