

Al Dawliyah For Hotels And Malls P.L.C.

(Public Share Holding Company, Capital 43,200,000 J.D)

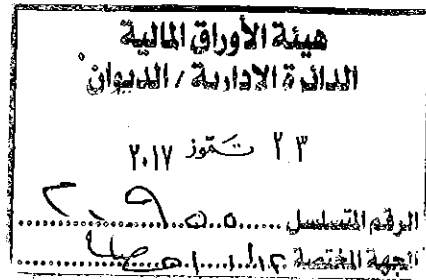
الشركة الدولية للفنادق والأسواق التجارية

(شركة مساهمة عامة محدودة، رأسمالها المسجل ٤٣,٢ مليون دينار أردني)

١- بورصة عمان
٢- السيد كبد الله
٣- السيد عمر
٤/٢٧

To: Jordan Securities Commission Amman Stock Exchange Date : Subject: Semi- Annual Report as of 30/06/2017	السادة هيئة الاوراق المالية السادة بورصة عمان التاريخ:- الموضوع: التقرير نصف السنوي كما هو في ٢٠١٧/٠٦/٣٠
Attached the company's Semi- Annual Report of (Al Dawliyah For Hotels And Malls P.L.C.) As of 30/06/2017	مرفق طيه نسخة من التقرير نصف السنوي لشركة (الدولية للفنادق والاسواق التجارية) كما هو بتاريخ ٢٠١٧/٠٦/٣٠ م
Kindly accept our highly appreciation and respect Company's Name: Al Dawliyah For Hotels And Malls P.L.C. General Manager's Signature	وتفضلوا بقبول فائق الاحترام... اسم شركة : الدولية للفنادق والاسواق التجارية توقيع المدير العام الشركة الدولية للفنادق والأسواق التجارية عمان - الأردن

• مرفق التقرير باللغة العربية والانجليزية بقرص مدمج (CD)



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Sheraton Amman
AL NABIL HOTEL & TOWERS

هاتف: ٥٦٠٤٧٣١، ٥٦٠٣٧٣٨، ٥٦٥٢١٧٣، ٥٦٨٠١٠٦ (٩٦٢ ٦)
فاكس: ٥٦٨٠١٠٥ (٩٦٢ ٦)
ص.ب ٩٤٢١٧ عمان ١١١٩٤ الأردن
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AL DAWLIYAH FOR HOTELS AND MALLS COMPANY

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

30 JUNE 2017

**REPORT ON REVIEW OF
INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF AL DAWLIYAH FOR HOTELS AND MALLS COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed financial statements of Al Dawliyah for Hotels and Malls Public Shareholding Company (the Company) as at 30 June 2017, comprising of the interim statement of financial position as at 30 June 2017 and the related interim statement of profit and loss, interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the six months period then ended and explanatory notes. Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements 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 the 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 condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amman – Jordan
19 July 2017



Ernst & Young

AL DAWLIYAH FOR HOTELS AND MALLS COMPANY
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017 (UNAUDITED)

	Notes	30 June 2017 JD (Unaudited)	31 December 2016 JD (Audited)
ASSETS			
Non-current assets -			
Property and equipment	5	52,686,192	52,609,322
Project in progress	11	3,307,432	3,112,825
Investments in properties		1,523,038	1,523,038
Investment in associate		74,280	74,280
Financial assets at fair value through other comprehensive income		1,971,992	2,078,761
Financial assets at amortized cost	6	500,000	-
		<u>60,062,934</u>	<u>59,398,226</u>
Current assets -			
Inventories		508,453	465,563
Accounts receivable		942,243	6,472,517
Other current assets		470,074	362,531
Cheques under collection		860	21,771
Cash and deposits at banks	8	1,111,233	634,355
		<u>3,032,863</u>	<u>7,956,737</u>
Total Assets		<u>63,095,797</u>	<u>67,354,963</u>
EQUITY AND LIABILITY			
Equity -			
Paid-in capital		43,200,000	43,200,000
Statutory reserve		10,800,000	10,800,000
Fair value reserve		(454,960)	(347,951)
Retained earnings		3,118,422	5,775,755
Total Equity		<u>56,663,462</u>	<u>59,427,804</u>
LIABILITIES			
Non-current liability -			
Long-term loans		2,748,927	2,748,927
Current liabilities -			
Due to banks		-	28,621
Current portion of long-term loans		577,222	2,396,944
Accounts payable		1,456,772	1,048,191
Other current liabilities		1,503,747	1,248,986
Income tax provision	4	145,667	455,490
		<u>3,683,408</u>	<u>5,178,232</u>
Total Liabilities		<u>6,432,335</u>	<u>7,927,159</u>
Total Equity and Liabilities		<u>63,095,797</u>	<u>67,354,963</u>

The accompanying notes from 1 to 12 form part of these interim condensed financial statements

AL DAWLIYAH FOR HOTELS AND MALLS COMPANY
INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)

	For the three months ended 30		For the six months ended	
	June		30 June	
	2017	2016	2017	2016
	JD	JD	JD	JD
Operating revenues from Amman Sheraton Hotel	3,347,817	3,533,770	5,827,426	6,657,151
Operating expenses from Amman Sheraton Hotel	(2,144,943)	(2,358,461)	(4,057,399)	(4,465,065)
Depreciation on property and equipment	(382,433)	(391,326)	(790,375)	(783,094)
Net operating revenues from the hotel	820,441	783,983	979,652	1,408,992
Depreciation on property and equipment	(4,416)	(3,617)	(8,856)	(6,985)
Administrative expenses	(152,957)	(140,501)	(357,323)	(371,058)
Finance costs	(11,943)	(36,915)	(34,629)	(64,417)
Dividends income	3,143	11,293	105,734	108,007
Other income	18,923	12,859	43,756	30,821
Profit before income tax	673,191	627,102	728,334	1,105,360
Income tax expense	(134,638)	(125,420)	(145,667)	(221,070)
Profit for the period	538,553	501,682	582,667	884,290
	JD / Fils	JD / Fils	JD / Fils	JD / Fils
Basic and diluted earnings per share	0/012	0/012	0/013	0/020

The accompanying notes from 1 to 12 form part of these interim condensed financial statements

AL DAWLIYAH FOR HOTELS AND MALLS COMPANY
INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)

	For the three months ended		For the six months ended	
	30 June		30 June	
	2017	2016	2017	2016
	JD	JD	JD	JD
Profit for the period	538,553	501,682	582,667	884,290
Add: Other comprehensive income items not to be reclassified to profit or loss in subsequent periods:				
Change in fair value of financial assets at fair value through other comprehensive income	(159,816)	(39,730)	(107,009)	(87,340)
Total comprehensive income for the period	378,737	461,952	475,658	796,950

The accompanying notes from 1 to 12 form part of these interim condensed financial statements

AL DAWLIYAH FOR HOTELS AND MALLS COMPANY
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)

	Paid-in capital	Statutory reserve	Fair value reserve	Retained earnings*	Total
	JD	JD	JD	JD	JD
2017 -					
Balance at 1 January 2017	43,200,000	10,800,000	(347,951)	5,775,755	59,427,804
Total comprehensive income for the period	-	-	(107,009)	582,667	475,658
Dividends paid (Note 10)	-	-	-	(3,240,000)	(3,240,000)
Balance at 30 June 2017	<u>43,200,000</u>	<u>10,800,000</u>	<u>(454,960)</u>	<u>3,118,422</u>	<u>56,663,462</u>
2016 -					
Balance at 1 January 2016	43,200,000	10,800,000	(282,460)	2,615,567	56,333,107
Total comprehensive income for the period	-	-	(87,340)	884,290	796,950
Dividends paid	-	-	-	(2,160,000)	(2,160,000)
Balance at 30 June 2016	<u>43,200,000</u>	<u>10,800,000</u>	<u>(369,800)</u>	<u>1,339,857</u>	<u>54,970,057</u>

* It is restricted to use an amount of JD 454,960 from retained earnings, which represents the negative balance of the fair value reserve.

The accompanying notes from 1 to 12 form part of these interim condensed financial statements

AL DAWLIYAH FOR HOTELS AND MALLS COMPANY
INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2017 (UNAUDITED)

	Note	For the six months ended 30 June	
		2017 JD	2016 JD
<u>OPERATING ACTIVITIES</u>			
Profit before income tax		728,334	1,105,360
Adjustments for:			
Depreciation		799,231	790,079
Finance costs		34,629	64,417
Interest income		(38,610)	(22,430)
Dividends income		(105,734)	(108,007)
Changes in working capital:			
Accounts receivable and cheques under collection		(448,815)	(343,103)
Inventories		(42,890)	(120,832)
Other current assets		(107,543)	(537,311)
Accounts payable		408,581	899,144
Other current liabilities		254,761	133,964
Income tax paid		(455,490)	(466,329)
Net cash flows from operating activities		1,026,454	1,394,952
<u>INVESTING ACTIVITIES</u>			
Purchase of property and equipment		(876,101)	(1,172,084)
Project in progress		(194,607)	(1,194,014)
Purchase of Financial assets at fair value through other comprehensive income		(240)	-
Accounts receivable/ Sales of investments in property		6,000,000	-
Purchase of financial assets at amortized cost		(500,000)	-
Interest income received		38,610	22,430
Dividends income received		105,734	108,007
Net cash flows from (used in) investing activities		4,573,396	(2,235,661)
<u>FINANCING ACTIVITIES</u>			
Received from loans		-	2,141,207
Repayments of loans		(1,819,722)	-
Dividend paid		(3,240,000)	(2,160,000)
Finance costs paid		(34,629)	(64,417)
Net cash flows used in financing activities		(5,094,351)	(83,210)
Net increase (decrease) in cash and cash equivalents		505,499	(923,919)
Cash and cash equivalents at the beginning of the period		605,734	2,115,462
Cash and cash equivalents end of the period	8	1,111,233	1,191,543

The accompanying notes from 1 to 12 form part of these interim condensed financial statements

(1) GENERAL

Al Dawliyah for Hotels and Malls Public Shareholding Company (the "Company") was established as a result of the merger of International Group of Hotels Association Public Shareholding Company and Development Company for Tourism and Trade Limited Liability Company on 1 August 1998 and then it was merged with Al Saad Company for Tourism and Trade Projects LLC. The Company's paid-in capital amounted to JD 43,200,000 divided into 43,200,000 shares with a par value of JD 1 per share.

The Company's main activities are to develop, construct, sale, purchase, renting, and leasing hotels, restaurants, theatres, and malls for its own accounts and for others.

The Company and Sheraton Overseas Management Corporation signed Amman Sheraton management agreement on 4 April 1995. The agreement is valid for 20 years commencing from the day of the official opening of the hotel, which happened end of 2001.

The Company owns Amman Sheraton Hotel that has 267 rooms and suites and it started operating on 1 July 2001.

(2) BASIS OF PREPARATION

The interim condensed financial statements for the six months period ended 30 June 2017 have been prepared in accordance with International Accounting Standard 34 (Interim Financial Reporting).

The financial statements have been presented in Jordanian Dinar, which is the functional currency of the Company.

The financial statements are prepared under the historical cost convention except for the financial assets at fair value through other comprehensive income which are presented at fair value as of the date of the financial statements.

The interim condensed financial statements do not contain all information and disclosures required for the annual financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company's annual report as of 31 December 2016. In addition, the results for the six months period ended 30 June 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

(3) CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2016, except for the adoption of new standards effective as of 1 January 2017.

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

Limited amendments which require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). However, the adoption of these amendments have no impact on the Company's interim condensed financial statements.

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Un-recognised Losses

Limited amendments to clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference and some other limited amendments, the adoption of these amendments have no impact on the Company's interim condensed financial statements.

(4) INCOME TAX

The income tax for the period ended 30 June 2017 and 30 June 2016 has been calculated in accordance with the Income Tax Law No. (34) of 2014. The Company reached a final settlement with the Income Tax Department up to the year 2014.

(5) PROPERTY AND EQUIPMENT

During the six months period ended 30 June 2017, The Company purchased property and equipment at the cost of JD 876,101 (30 June 2016: JD 1,172,084).

(6) FINANCIAL ASSETS AT AMORTIZED COST

During January 2017, the Company has purchased 500 bond from the bonds issued by Arab International Hotels Company (sister company) with total value of JD 500,000 and bears interest rate of 5.5% due each six months from each year. The bonds mature on 22 January 2022.

(7) TRANSACTION WITH RELATED PARTIES

Related parties represent directors and key management personnel of the Company and other related parties. The Company's management approves pricing policies and terms of these transactions.

Related parties' balance in the interim statement of financial position are as follows:

	For the Six months ended	
	30 June 2017	31 December 2016
	JD (Unaudited)	JD (Audited)
Loan from Jordan Ahli Bank (shareholder)	3,326,149	5,145,871
Deposits at Jordan Ahli Bank (shareholder)	25,828	286,543
Current accounts at Jordan Ahli Bank (shareholder)	987,831	310,738
Overdraft account at Jordan Ahli Bank (shareholder)	-	28,621
Financial assets at amortized cost - Arab International Hotels Company (sister company)	500,000	-

Transactions with related parties included in the interim statement of profit and loss are as follows:

	For the Six months ended	
	30 June 2017	30 June 2016
	JD (Unaudited)	JD (Unaudited)
Salaries and other benefits-Key management personnel	97,500	120,900
Transportation allowances Board of Directors benefits	45,000	39,900
Chairman Remuneration	50,000	50,000
Finance cost – Jordan Ahli Bank	36,629	64,417
Interest income on deposits - Jordan Ahli Bank (shareholder)	27,083	22,430
Interest income on Financial assets at amortized cost - Arab International Hotels Company (sister company)	11,527	-

(8) CASH AND CASH EQUIVALENTS

	For the Six months ended	
	30 June 2017	30 June 2016
	JD (Unaudited)	JD (Unaudited)
Cash on hands and at banks	1,111,233	1,311,143
Due to banks	-	(119,600)
	<u>1,111,233</u>	<u>1,191,543</u>

(9) LEGAL RESERVES

The Company did not deduct the legal reserves according to the provisions of the Companies Law since these are interim financial statements.

(10) Dividends

The general assembly approved in its meeting held on 10 April 2017, the distribution of cash dividends amounted to JD 3,240,000 representing 7.5% of the paid in capital and related to 2016 results.

(11) Project in progress

The projects in progress consist of solar electricity station. This project is expected to be completed at the end of the year 2017 with an estimated cost to complete of JD 620,100.

(12) SEGMENT INFORMATION

A business segment is the Company's assets and operations engaged in providing products together or are subject to risks and returns services differ from those of other business segments.

Geographical segment is associated in providing products or services in a particular economic environment subject to risks and rewards that are different from those in other segments operating in other economic environments. Segment results are as follows:

	Hotel sector	Investment in financial assets	Total
For the six months period ended 30 June 2017 -	JD	JD	JD
Revenues	5,827,426	105,734	5,933,160
Results -			
Income before income tax	622,600	105,734	728,334
Income tax	(140,380)	(5,287)	(145,667)
Net profit for the period	482,220	100,447	582,667
<u>Other Segment information</u>			
Capital expenditures	1,070,708	-	1,070,708
Depreciation	799,231	-	799,231

AL DAWLIYAH FOR HOTELS AND MALLS COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

	Hotel sector	Investment in financial assets	Total
For the six months period ended 30 June 2016 -	JD	JD	JD
Revenues	6,657,151	108,007	6,765,158
Results -			
Income before income tax	997,353	108,007	1,105,360
Income tax	(215,670)	(5,400)	(221,070)
Net profit for the period	781,683	102,607	884,290
<u>Other Segment information</u>			
Capital expenditures	2,366,098	-	2,366,098
Depreciation	790,079	-	790,079

	Hotel sector	Investment in associates	Investment in financial assets	Total
	JD	JD	JD	JD
<u>Assets and liabilities</u>				
As at 30 June 2017				
Assets for the sector	59,026,487	1,523,038	2,546,272	63,059,797
Liabilities for the sector	6,432,335	-	-	6,432,335
As at 31 December 2016				
Assets for the sector	63,678,884	1,523,038	2,153,041	67,354,963
Liabilities for the sector	7,927,159	-	-	7,927,159

The Company's operations are in the Kingdom of Jordan.