

عمان في 2018/4/30  
رقم : 2018/37

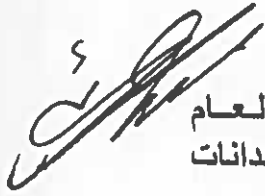
السادة هيئة الاوراق المالية المحترمين

الموضوع : البيانات المالية للربع الاول 2018 باللغة الانجليزية

تحية واحترام ،،،

أرفق طيه نسخة أصلية عن القوائم المالية الموحدة كما في 31 آذار 2018 باللغة الانجليزية راجياً ايداعها لديكم.

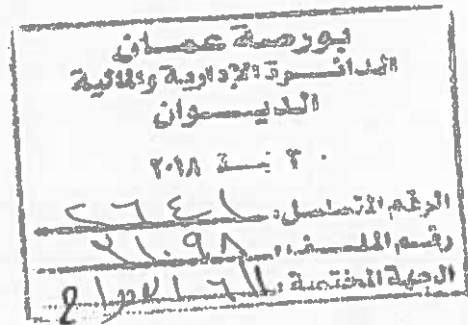
وتفضلوا بقبول فائق الاحترام



المدير العام  
م. اسامة مدانات

الشركة الدولية  
لل فنادق والأسواق التجارية  
عمان - الأردن

نسخة : بورصة عمان



AL DAWLIYAH FOR HOTELS AND MALLS COMPANY

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

31 MARCH 2018



Building a better  
working world

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**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 31 March 2018, comprising of the interim statement of financial position as at 31 March 2018 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 three 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  
24 April 2018

*Ernst + Young*

**AL DAWLIYAH FOR HOTELS AND MALLS COMPANY**  
**INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018 (UNAUDITED)**

	Notes	31 March 2018 JD (Unaudited)	31 December 2017 JD (Audited)
<b>ASSETS</b>			
<b>Non-current assets -</b>			
Property and equipment	5	56,137,461	56,237,798
Investments in properties		1,523,038	1,523,038
Investment in associate		66,353	66,353
Financial assets at fair value through other comprehensive income	10	3,977,859	3,913,321
Financial assets at amortized cost	6	500,000	500,000
		<u>62,204,711</u>	<u>62,240,510</u>
<b>Current assets -</b>			
Inventories		419,386	404,075
Accounts receivable		538,452	478,970
Other current assets		415,130	318,195
Cheques under collection		27,239	30,053
Cash and deposits at banks	8	1,018,674	845,768
		<u>2,418,881</u>	<u>2,077,061</u>
<b>Total Assets</b>		<u>64,623,592</u>	<u>64,317,571</u>
<b>EQUITY AND LIABILITY</b>			
<b>Equity -</b>			
Paid-in capital		43,200,000	43,200,000
Statutory reserve		10,800,000	10,800,000
Fair value reserve		(515,777)	(580,315)
Retained earnings		3,719,413	3,559,609
<b>Total Equity</b>		<u>57,203,636</u>	<u>56,979,294</u>
<b>LIABILITIES</b>			
<b>Non-current liability -</b>			
Long-term loans		<u>3,117,449</u>	<u>2,923,967</u>
<b>Current liabilities -</b>			
Due to banks		69,605	58,597
Current portion of long-term loans		1,183,922	753,879
Accounts payable		827,754	1,504,801
Other current liabilities		2,026,508	1,897,355
Income tax provision	4	194,718	199,678
		<u>4,302,507</u>	<u>4,414,310</u>
<b>Total Liabilities</b>		<u>7,419,956</u>	<u>7,338,277</u>
<b>Total Equity and Liabilities</b>		<u>64,623,592</u>	<u>64,317,571</u>

The accompanying notes from 1 to 11 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 PERIOD ENDED 31 MARCH 2018 (UNAUDITED)**

	For the three months ended	
	31 March	
	2018	2017
	JD	JD
Operating revenues from Amman Sheraton Hotel	2,879,619	2,479,609
Operating expenses from Amman Sheraton Hotel	(2,143,105)	(1,912,456)
Depreciation on property and equipment	(389,248)	(407,942)
<b>Net operating revenues from the hotel</b>	<b>347,266</b>	<b>159,211</b>
Depreciation on property and equipment	(3,581)	(4,440)
Administrative expenses	(201,870)	(204,366)
Finance costs	(35,191)	(22,686)
Dividends income	77,975	102,591
Other income	15,156	24,833
<b>Profit before income tax</b>	<b>199,755</b>	<b>55,143</b>
Income tax expense	(39,951)	(11,029)
<b>Profit for the period</b>	<b>159,804</b>	<b>44,114</b>
	JD / Fils	JD / Fils
<b>Basic and diluted earnings per share</b>	<b>0/004</b>	<b>0/001</b>

The accompanying notes from 1 to 11 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 PERIOD ENDED 31 MARCH 2018 (UNAUDITED)**

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	For the three months ended	
	31 March	
	2018	2017
	JD	JD
<b>Profit for the period</b>	159,804	44,114
<b>Add: Other comprehensive income items not to be reclassified to profit or loss in subsequent periods:</b>		
Change in fair value of financial assets at fair value through other comprehensive income	64,538	52,807
<b>Total comprehensive income for the period</b>	<b>224,342</b>	<b>96,921</b>

The accompanying notes from 1 to 11 form part of these interim condensed financial statements

**AL DAWLIYAH FOR HOTELS AND MALLS COMPANY**  
**INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018 (UNAUDITED)**

	Paid-in capital JD	Statutory reserve JD	Fair value reserve JD	Retained earnings JD	Total JD
<b>2018 -</b>					
Balance at 1 January 2018	43,200,000	10,800,000	(580,315)	3,559,609	56,979,294
Total comprehensive income for the period	-	-	64,538	159,804	224,342
<b>Balance at 31 March 2018</b>	<u>43,200,000</u>	<u>10,800,000</u>	<u>(515,777)</u>	<u>3,719,413</u>	<u>57,203,636</u>
<b>2017 -</b>					
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	-	-	52,807	44,114	96,921
<b>Balance at 31 March 2017</b>	<u>43,200,000</u>	<u>10,800,000</u>	<u>(295,144)</u>	<u>5,819,869</u>	<u>59,524,725</u>

It is restricted to use an amount of JD 515,777 from retained earnings, which represents the negative balance of the fair value reserve in 31 March 2018.

The accompanying notes from 1 to 11 form part of these interim condensed financial statements

**AL DAWLIYAH FOR HOTELS AND MALLS COMPANY**  
**INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018 (UNAUDITED)**

	For the three months ended	
	31 March	
Note	2018	2017
	JD	JD
<b><u>OPERATING ACTIVITIES</u></b>		
Profit before income tax	199,755	55,143
<b>Adjustments for:</b>		
Depreciation	392,829	412,382
Finance costs	35,191	22,686
Interest income	(10,959)	(20,309)
Dividends income	(77,975)	(102,591)
<b>Changes in working capital:</b>		
Accounts receivable and cheques under collection	(56,668)	(229,005)
Inventories	(15,311)	(35,796)
Other current assets	(96,935)	(130,817)
Accounts payable	(677,047)	(71,563)
Other current liabilities	129,153	171,443
Income tax paid	(44,911)	(96,043)
<b>Net cash flows from operating activities</b>	<b>(222,878)</b>	<b>(24,470)</b>
<b><u>INVESTING ACTIVITIES</u></b>		
Purchase of property and equipment	(292,492)	(485,695)
Purchase of financial assets at fair value through other comprehensive income	-	(241)
Purchase of financial assets at amortized cost	-	(500,000)
Account receivables	-	6,000,000
Interest income received	10,959	20,309
Dividends income received	77,975	102,591
<b>Net cash flows (used in) from investing activities</b>	<b>(203,558)</b>	<b>5,136,964</b>
<b><u>FINANCING ACTIVITIES</u></b>		
Proceeds from loans	710,000	-
Repayments of loans	(86,475)	(852,000)
Finance costs paid	(35,191)	(22,686)
<b>Net cash flows from (used in) financing activities</b>	<b>588,334</b>	<b>(874,686)</b>
<b>Net increase in cash and cash equivalents</b>	<b>161,898</b>	<b>4,237,808</b>
Cash and cash equivalents at the beginning of the period	787,171	605,734
<b>Cash and cash equivalents end of the period</b>	<b>8 949,069</b>	<b>4,843,542</b>

The accompanying notes from 1 to 11 form part of these interim condensed financial statements



**AL DAWLIYAH FOR HOTELS AND MALLS COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2018 (UNAUDITED)**

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**(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 three months period ended 31 March 2018 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 2017. In addition, the results for the three months period ended 31 March 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018.

**(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 2017, except for the adoption of new standards effective as of 1 January 2018:

**IFRS 9 Financial Instruments**

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company had previously implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The standard has been applied retrospectively and, in line with IFRS 9, comparative amounts have not been restated.

The standard eliminates the use of the IAS 39 incurred loss impairment model approach, uses the revised hedge accounting framework, and the revised guidance on the classification and measurement requirements.

**Impairment**

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Company to record an allowance for ECLs for all debt instruments measured at amortization cost.

For all debt instruments, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses.

There was no material impact on the interim financial statements from the adoption of IFRS 9.

**IFRS 15 Revenue from Contracts with Customers**

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

There was no material impact on the interim financial statements from the adoption of IFRS 15.

**IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations**

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

This Interpretation does not have any impact on the Company's financial statements.

**Amendments to IAS 40 Transfers of Investment Property**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

These amendments do not have any impact on the Company's financial statements.

**Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions**

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. These amendments do not have any impact on the Company's financial statements.

**Amendments to IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice**

The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

These amendments do not have any impact on the Company's financial statements.

**AL DAWLIYAH FOR HOTELS AND MALLS COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2018 (UNAUDITED)**

**(4) INCOME TAX**

The income tax for the periods ended 31 March 2018 and 31 March 2017 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 three months period ended 31 March 2018, The Company purchased property and equipment at the cost of JD 292,492 (31 March 2017: JD 485,695).

**(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 in 29 July and 29 December 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:

	31 March 2018 JD (Unaudited)	31 December 2017 JD (Audited)
Loans from Jordan Ahli Bank (shareholder)	4,301,371	3,677,846
Deposits at Jordan Ahli Bank (shareholder)	681,081	529,308
Current accounts at Jordan Ahli Bank (shareholder)	297,821	291,123
Overdraft account at Jordan Ahli Bank (shareholder)	69,605	58,597
Financial assets at amortized cost - Arab International Hotels Company (sister company)	500,000	500,000
<b>Financial Assets at fair value through OCI</b>		
Jordan Worsted Mills. Co (sister company)	915,496	970,368
Beaches company for tourism hotels (sister company)	222,222	222,222
Jordan investor Center Co. (sister company)	2,066,684	2,066,684
<b>Investments in affiliates</b>		
Interior design studios Co. (affiliate company)	66,353	66,353
<b>Accounts Payable</b>		
Account Payable Jordan investor center Co. (Shareholders)	-	650,000

**AL DAWLIYAH FOR HOTELS AND MALLS COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2018 (UNAUDITED)**

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

	For the three months ended in 31	
	March	
	(Unaudited)	
	2018	2017
	JD	JD
Salaries and other benefits-Key management personnel	50,730	48,750
Transportation allowances Board of Directors benefits	22,800	22,200
Chairman Remuneration	50,000	50,000
Interest income on deposits – Jordan Ahli Bank (shareholder)	3,971	15,548
Interest income on Financial assets at amortized cost - Arab International Hotels Company (sister company)	6,988	4,761
Finance cost – Jordan Ahli Bank	35,191	22,686
Dividends income – Jordan Investor Center (sister company)	37,453	-

**(8) CASH AND CASH EQUIVALENTS**

	31 March	31 December
	2018	2017
	JD	JD
	(Unaudited)	(Audited)
Cash on hands and at banks	337,593	845,768
Bank Deposits*	681,081	-
Due to banks	(69,605)	(58,597)
	<u>949,069</u>	<u>787,171</u>

\*This account represents a deposit with Jordan Ahli Bank that matures monthly at an interest rate of 4% per annum.

**(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.

AL DAWLIYAH FOR HOTELS AND MALLS COMPANY  
 NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
 31 MARCH 2018 (UNAUDITED)

(10) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 March 2018	31 December 2017
	JD (Unaudited)	JD (audited)
Investment in companies shares - quoted	1,640,953	1,576,415
Investment in companies shares— unquoted*	2,336,906	2,336,906
	<u>3,977,859</u>	<u>3,913,321</u>

\* Investments in unquoted shares are stated at cost, as it is practically difficult to reliably measure its fair value based on management opinion.

Movements on fair value reserve is as follows:

	31 March 2018	31 December 2017
	JD (Unaudited)	JD (audited)
Beginning balance at 1 January	(580,315)	(347,951)
Change in fair value	64,538	(232,364)
	<u>(515,777)</u>	<u>(580,315)</u>

**AL DAWLIYAH FOR HOTELS AND MALLS COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2018 (UNAUDITED)**

**(11) 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	
	JD	JD	JD	
<b>For the period ended 31 March 2018 (unaudited)-</b>				
Revenues	2,894,775	77,975	2,972,750	
<b>Results -</b>				
Income before income tax	121,780	77,975	199,755	
Income tax	(36,052)	(3,899)	(39,951)	
Net profit for the period	85,728	74,076	159,804	
<b>Other Segment information</b>				
Capital expenditures	292,492	-	292,492	
Depreciation	392,829	-	392,829	
<b>For the period ended 31 March 2017 (unaudited)-</b>				
Revenues	2,504,442	102,591	2,607,033	
<b>Results -</b>				
Income or (loss) before income tax	(47,448)	102,591	55,143	
Income tax	(5,899)	(5,130)	(11,029)	
Net profit or (Loss) for the period	(53,347)	97,461	44,114	
<b>Other Segment information</b>				
Capital expenditures	485,695	-	485,695	
Depreciation	412,382	-	412,382	
	Hotel sector	Investment in associates	Investment in financial assets	Total
	JD	JD	JD	JD
<b>Assets and liabilities</b>				
<b>As at 31 March 2018 (unaudited)-</b>				
Assets for the sector	58,556,342	1,523,038	4,544,212	64,623,592
Liabilities for the sector	7,419,956	-	-	7,419,956
<b>As at 31 December 2017 (audited)-</b>				
Assets for the sector	58,314,859	1,523,038	4,479,674	64,317,571
Liabilities for the sector	7,338,277	-	-	7,338,277

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