

العربية الدولية للفنادق م.ع.م

Arab International Hotels PLC.

التاريخ : 2018/07/30

الإشارة : ٧٥، ٩/١٣/١٣

To: Amman Stock Exchange
Subject: Semi Annual Report as of
30/6/2018

السادة : بورصة عمان المحترمين
الموضوع : التقرير نصف السنوي كما هي في
2018/6/30

Attached the Company's Semi
Annual Report in English of Arab
International Hotels Co. as of
30/6/2018

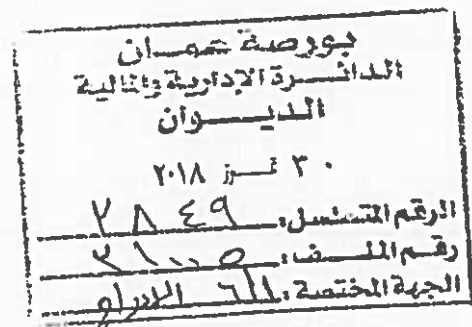
مرفق طيه نسخة من البيانات المالية نصف
السنوية للشركة العربية الدولية للفنادق كما
هي بتاريخ 2018/6/30

Kindly accept our high appreciation
and respect

وتفضلوا بقبول فائق الاحترام،،،

Bassam F Maayah
Managing Director – Board
Member
Arab International Hotels
Company

بسام فرح معاينة
المدير العام – عضو مجلس الإدارة
العربية الدولية للفنادق



ARAB INTERNATIONAL HOTELS COMPANY

INTERIM CONDENSED FINANCIAL

STATEMENTS (UNAUDITED)

30 JUNE 2018

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENT
TO THE BOARD OF DIRECTOR OF ARAB INTERNATIONAL HOTELS COMPANY
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

We have reviewed the accompanying interim condensed financial statements of Arab International Hotels Company (a public shareholding Company) comprising the interim statement of financial position as at 30 June 2018 and the related interim statement of profit or loss, interim statement of comprehensive income, interim statements of changes in equity and interim statement of cash flows for the six months period then ended and explanatory information. 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 the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amman – Jordan
25 July 2018



ARAB INTERNATIONAL HOTELS COMPANY PSC
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018 (UNAUDITED)

	Notes	30 June 2018 JD (Unaudited)	31 December 2017 JD (Audited)
<u>ASSETS</u>			
Non-current assets -			
Property and equipment	4	14,295,874	14,003,563
Financial assets at fair value through other comprehensive income	11	5,942,276	6,096,516
Investment in associates	5	51,090,223	51,113,379
Financial assets at amortized cost	8	1,500,000	1,500,000
Advances on investments	10	297,823	-
		<u>73,126,196</u>	<u>72,713,458</u>
Current assets -			
Inventories		455,401	452,354
Accounts receivable and other current assets		1,415,120	800,803
Cash and short-term deposits at banks	12	2,875,362	6,394,962
		<u>4,745,883</u>	<u>7,648,119</u>
Total Assets		<u>77,872,079</u>	<u>80,361,577</u>
<u>EQUITY AND LIABILITIES</u>			
<u>EQUITY</u>			
Paid-in capital		32,000,000	32,000,000
Share premium		3,644,693	3,644,693
Statutory reserve		8,000,000	8,000,000
Voluntary reserve		13,000,000	14,000,000
Fair value reserve		(2,424,450)	(2,104,318)
Company's share from fair value reserve / from investment in associates		(760,470)	(782,716)
Retained earnings		3,724,837	3,975,957
Total Equity		<u>57,184,610</u>	<u>58,733,616</u>
<u>LIABILITIES</u>			
Non-current liabilities -			
Long-term loans		5,716,870	6,813,527
Bonds payable	6	10,000,000	10,000,000
		<u>15,716,870</u>	<u>16,813,527</u>
Current liabilities -			
Current portion of long-term loans		2,027,879	1,862,444
Accounts payable		703,887	889,790
Provisions and other current liabilities		2,238,833	2,062,200
		<u>4,970,599</u>	<u>4,814,434</u>
Total Liabilities		<u>20,687,469</u>	<u>21,627,961</u>
Total Equity and Liabilities		<u>77,872,079</u>	<u>80,361,577</u>

The accompanying notes from 1 to 13 form part of these interim condensed financial statements

ARAB INTERNATIONAL HOTELS COMPANY PSC
INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2018 (UNAUDITED)

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2018	2017	2018	2017
		JD	JD	JD	JD
Operating revenues from Amman Marriott Hotel		2,759,474	2,756,108	5,343,581	5,410,356
Operating expenses from Amman Marriott Hotel		(2,143,126)	(1,973,911)	(4,049,156)	(3,918,110)
Depreciation on property and equipment		(314,169)	(280,743)	(618,439)	(559,092)
Net operating revenues from the hotel		302,179	501,454	675,986	933,154
Share of profit of associates	5	479,041	450,270	620,454	711,342
Dividends income		295,851	107,214	363,056	369,342
Other income		2,527	377	3,584	1,847
Depreciation on property and equipment		(8,889)	(1,926)	(17,778)	(4,014)
Interest income		45,370	39,422	102,782	46,999
Finance costs		(240,483)	(177,587)	(460,985)	(351,408)
Administrative expenses		(215,814)	(194,200)	(407,115)	(439,887)
Profit before income tax		659,782	725,024	879,984	1,267,375
Income tax expense	9	(45,504)	(90,706)	(51,104)	(107,644)
Profit for the period		614,278	634,318	828,880	1,159,731
		JD / Fils	JD / Fils	JD / Fils	JD / Fils
Basic and diluted earnings per share		0/019	0/020	0/026	0/036

The accompanying notes from 1 to 13 form part of these interim condensed financial statements

ARAB INTERNATIONAL HOTELS COMPANY PSC
INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND THE SIX MONTHS PERIOD ENDED 30 JUNE 2018 (UNAUDITED)

	For the three months ended 30		For the six months ended 30	
	June		June	
	2018	2017	2018	2017
	JD	JD	JD	JD
Profit for the year	614,278	634,318	828,880	1,159,731
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	(396,028)	(429,384)	(320,132)	(207,568)
Company's share of net change in fair value reserve from investments in associates	(109,947)	(513,321)	22,246	(95,265)
Total comprehensive income for the period	<u>108,303</u>	<u>(308,387)</u>	<u>530,994</u>	<u>856,898</u>

The accompanying notes from 1 to 13 form part of these interim condensed financial statements

ARAB INTERNATIONAL HOTELS COMPANY PSC
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018 (UNAUDITED)

	Paid-in capital	Share premium	Statutory reserve	Voluntary reserve	Fair value reserve*	Company's share from fair value reserve /from investment in associates*	Retained earnings	Total
	JD	JD	JD	JD	JD	JD	JD	JD
2018 -								
Balance at 1 January 2018	32,000,000	3,644,693	8,000,000	14,000,000	(2,104,318)	(782,716)	3,975,957	58,733,616
Total comprehensive income for the period	-	-	-	-	(320,132)	22,246	828,880	530,994
Transfers (Note 3)	-	-	-	(1,000,000)	-	-	1,000,000	-
Dividends paid (Note 7)	-	-	-	-	-	-	(2,080,000)	(2,080,000)
Balance at 30 June 2018	32,000,000	3,644,693	8,000,000	13,000,000	(2,424,450)	(760,470)	3,724,837	57,184,610
2017 -								
Balance at 1 January 2017	32,000,000	3,644,693	8,000,000	14,000,000	(1,532,681)	(294,556)	5,299,249	61,116,705
Total comprehensive income for the period	-	-	-	-	(207,568)	(95,265)	1,159,731	856,898
Dividends paid	-	-	-	-	-	-	(2,560,000)	(2,560,000)
Balance at 30 June 2017	32,000,000	3,644,693	8,000,000	14,000,000	(1,740,249)	(389,821)	3,898,980	59,413,603

* It is restricted to use an amount of JD 3,184,920 from retained earnings which represents the total negative balance of the fair value reserve and Company's share from fair value reserve /from investment in associates.

The accompanying notes from 1 to 13 form part of these interim condensed financial statements

ARAB INTERNATIONAL HOTELS COMPANY PSC
INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018 (UNAUDITED)

		For the six months ended 30	
		June	
Note	2018	2017	
	JD	JD	
<u>OPERATING ACTIVITIES</u>			
Profit before income tax	879,984	1,267,375	
Adjustments for:			
Depreciation on property and equipment	636,217	563,106	
Finance costs	460,985	351,408	
Interest income	(102,782)	(46,999)	
Share of profit of associates	(620,454)	(711,342)	
Dividends income	(363,056)	(369,342)	
Changes in working capital:			
Accounts receivable and other current assets	(614,317)	(362,355)	
Inventories	(3,047)	63,274	
Accounts payable	(185,903)	(172,023)	
Provisions and other current liabilities	241,825	18,834	
Income tax paid	(116,296)	(204,274)	
Net cash flows from operating activities	213,156	397,662	
<u>INVESTING ACTIVITIES</u>			
Advances over investment increase	(297,823)	-	
Interest income received	102,782	46,999	
Dividends received from associates	1,094,336	1,035,080	
Dividends income received	363,056	369,342	
Purchase of financial assets at fair value through other comprehensive income	(165,892)	(76,189)	
Purchase of property and equipment	(928,528)	(536,925)	
Projects under construction	-	(125,368)	
Purchase share's from associates	(428,480)	-	
Net cash flows (used in) from investing activities	(260,549)	712,939	
<u>FINANCING ACTIVITIES</u>			
Dividends paid	(2,080,000)	(2,560,000)	
Repayments of loans	(931,222)	(3,502,411)	
Proceeds from loans	-	250,396	
Bonds payable	-	10,000,000	
Finance cost paid	(460,985)	(351,408)	
Net cash flows (used in) from financing activities	(3,472,207)	3,836,577	
Net (decrease) increase in cash and cash equivalents	(3,519,600)	4,947,178	
Cash and cash equivalents on 1 January	6,394,962	1,601,761	
Cash and cash equivalents on 30 June	2,875,362	6,548,939	

The accompanying notes from 1 to 13 form part of these interim condensed financial statements

ARAB INTERNATIONAL HOTELS COMPANY PSC
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2018 (UNAUDITED)

(1) GENERAL

The Arab International Hotels Company (the "Company") was registered as a Public Shareholding Company in 1975 with a paid-in capital of JD 3,000,000. The paid in capital was increased several times throughout the years to become JD 32,000,000 with par value of JD 1 per share.

The Company owns Amman Marriott Hotel which commenced its operations during 1982. The Hotel is managed by Marriott International Corporation in accordance with a management agreement signed during 1976 and its subsequent amendments the latest of which was in 2014 and is valid until 2041.

(2) BASIS OF PREPARATION

The interim condensed financial statements for the six months period ended 30 June 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 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 full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company annual financial statements as of 31 December 2017. In addition, results for the six months period ended 30 June 2018 do not necessarily indicate the expected results for the financial year ending 31 December 2018.

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.

(3) LEGAL RESERVES

The Company did not transfer to the statutory reserve as required by the Jordanian Companies Law as those are interim financial statements.

At its meeting held on 23 April 2018, the general assembly approved the transfer of JD 1,000,000 from voluntary reserve to retained earnings.

(4) PROPERTY AND EQUIPMENT

The Company purchased property and equipment at a cost of JD 928,528 during the six months period ended 30 June 2018 (30 June 2017: JD 662,293).

ARAB INTERNATIONAL HOTELS COMPANY PSC
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2018 (UNAUDITED)

(5) INVESTMENT IN ASSOCIATES

	% of ownership		Value	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	% (Unaudited)	% (Audited)	JD (Unaudited)	JD (Audited)
Business Tourism Company	35,516	35,516	17,780,436	17,877,954
Al Dawliyah for Hotels and Malls Company*	26,91	25,72	14,040,148	14,087,797
Interior Design Studio Company	25	25	66,541	66,714
Beaches Company for Hotels and Resorts	30,93	30,93	2,864,362	2,873,688
Jordan Investor Center Company	49,34	49,34	14,824,706	14,693,657
Arab International Real Estate Company	42,35	42,35	1,514,030	1,513,569
			<u>51,090,223</u>	<u>51,113,379</u>

The schedule below includes a summary of the associates main operations:

<u>Company</u>	<u>Main operation</u>
Business Tourism Company	Owning Company of J Valley Marriot and Petra Marriott Hotels
Al Dawliyah for Hotels and Malls Company	Owning Company of Sheraton Amman Hotel
Interior Design Studio Company	Interior Designs for hotels
Beaches Company for Hotels and Resorts	Owning Company of Marriot Aqaba Hotel under construction
Jordan Investor Center Company	Investments in stocks and companies
Arab International Real Estate Company	Investments in lands and real estate

Movement on investment in associates is as follows:

	30 June 2018	31 December 2017
	JD (Audited)	JD (Unaudited)
Balance at 1 January	51,113,379	52,284,392
Dividends received	(1,094,336)	(1,405,135)
Share of profit of associates	620,454	722,282
Share of change in fair value reserve	22,246	(488,160)
Sale of shares in associate	-	(537,298)
Purchase of shares in associate*	428,480	537,298
	<u>51,090,223</u>	<u>51,113,379</u>

* The Company has purchased 514,512 shares from Al- Dawliyah for Hotels and Malls Company.

(6) BONDS PAYABLE

On 22 January 2017, The Arab International Hotels Company PSC issued 10,000 bonds through Jordan Ahli Bank with a par value of JD1,000 and a total value of JD 10,000,000 for five years at a fixed interest rate of 5.5% payable semi-annually. The bonds are due in one instalment on 22 January 2022.

(7) DIVIDENDS

The General Assembly approved in its meeting held on 23 April 2018, the distribution of cash dividends amounted to JD 2,080,000 representing 6.5% of the paid in capital and related of 2017 results.

(8) FINANCIAL ASSETS AT AMORTIZED COST

On 12 October 2017 Arab International Hotels Company Limited purchased 15 Bonds from Jordan Ahli Bank (sister company) with a variable interest rate where the interest at the beginning of each period equal the re-discount interest rate with Central Bank of Jordan plus a margin of 2%, at the time of issuance the interest rate was 6.75% the interest is due semi-annually. Bonds due in one instalment on 12 October 2023.

(9) INCOME TAX

The income tax for the period ended 30 June 2018 and 30 June 2017 is calculated in accordance with the Income Tax Law No. (34) Of 2014.

The Company reached a final settlement with the Income Tax Department until 2015.

The Income Tax Department has reviewed the accounting records of the International Company for Industrial Commercial and Tourism Investments Public Shareholding Company (The Company merged with Arab International Hotels Company) for the years 1995 and 1996 and assessed an income tax liability of JD 231,154 and 130,001 respectively. The Company appealed the assessment and the case is still pending in the court. The Income Tax Department did not review the tax filings for The International Company for Industrial Commercial and Tourism Investments for the years 1996, 1998 and 1999 up to the date of these financial statements.

The Company does not account for deferred tax due to the insignificant effect it has on the financial statements at the discretion of management.

ARAB INTERNATIONAL HOTELS COMPANY PSC
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2018 (UNAUDITED)

(10) TRANSACTION WITH RELATED PARTIES

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Related parties balances included in the statement of financial position is as follow:

	30 June 2018 JD (Unaudited)	31 December 2017 JD (Audited)
Due from related parties		
Bank deposits - Jordan Ahli Bank	1,022,798	3,617,280
Current accounts - Jordan Ahli Bank	1,831,064	2,756,182
Financial assets at amortized cost	1,500,000	1,500,000
	30 June 2018 JD (Unaudited)	31 December 2017 JD (Audited)
Due to related parties		
Loans from Jordan Ahli Bank	7,744,749	8,675,971
Bonds payable owned from related parties (note 6)	7,750,000	7,750,000
	30 June 2018 JD (Unaudited)	31 December 2017 JD (Audited)
Financial assets at fair value through other comprehensive Income		
Jordan Worsted Mills	2,250,000	2,852,966
El Zay for Ready Wear Manufacturing Company	30,528	40,704
Jordan Ahli Bank	1,757,747	1,702,906

ARAB INTERNATIONAL HOTELS COMPANY PSC
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2018 (UNAUDITED)

	30 June 2018 JD (Unaudited)	31 December 2017 JD (Audited)
Due from included in receivables and other debit balances of Interior Design Studio Company	27,299	30,299
Petra Marriott Hotel Partner	39,152	14,560
Jordan Valley Marriott Hotel Partner	111,893	30,359
	<u>178,344</u>	<u>75,218</u>

- The Company has purchased 514,512 shares of Al- Dwaliayh for Hotels and Malls Company Public Share Holding Company.
- The Company participated in for El- Zay for ready wear Manufacturing Company capital increase by an amount of JD 297,823 however, the legal procedure did not complete by the Ministry of industry and trade and Jordan securities Commission as of the date of these financial statements.

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

	For the three months ended 30 June	
	2018 JD (Unaudited)	2017 JD (Unaudited)
Key management salaries and benefits and Board of Directors remuneration	196,979	193,390
Interest income on deposits - Jordan Ahli Bank	50,929	46,999
Finance costs – Jordan Ahli Bank	188,245	135,840
Interest on bonds issued to related parties	272,740	107,784
Interest income financial assets at amortised cost	51,853	-
Dividends income	274,657	280,366

(11) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE

	30 June 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
Investment in companies shares - quoted	5,765,276	5,919,516
Investment in companies shares – unquoted*	177,000	177,000
	<u>5,942,276</u>	<u>6,096,516</u>

- * Unquoted shares are stated at cost, which is not practicable in the opinion of the company's management to measure their fair value reliably.

The movement in the fair value reserve is summarized below:

	30 June 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
Balance as of 1 January	(2,104,318)	(1,532,681)
Change in fair value	<u>(320,132)</u>	<u>(571,637)</u>
	<u>(2,424,450)</u>	<u>(2,104,318)</u>

(12) CASH ON HAND AND AT BANKS

	30 June 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
Short-term deposits*	1,022,798	3,617,280
Cash on hands and at banks	<u>1,852,564</u>	<u>2,777,682</u>
	<u>2,875,362</u>	<u>6,394,962</u>

- * Short term deposits represent deposits with local banks in Jordanian Dinars maturing within a period not exceeding three months at an interest rate of 4%.

ARAB INTERNATIONAL HOTELS COMPANY PSC
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2018 (UNAUDITED)

(13) 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 associates	Investment in financial assets	Total
	JD	JD	JD	JD
For the six months period ended 30 June 2018 (unaudited)- -				
Revenues	5,347,165	620,454	363,056	6,330,675
Segment results -				
(Loss) profit before income tax	(103,526)	620,454	363,056	879,984
Income tax expense	(1,928)	(31,023)	(18,153)	(51,104)
(Loss) profit for the period	(105,454)	589,431	344,903	828,880
<u>Other Segment Information</u>				
Capital expenditures	928,528	-	-	928,528
Depreciation	636,217	-	-	636,217
31 For the six months period ended 30 June 2017 (unaudited)- -				
Revenues	5,412,203	711,342	369,342	6,492,887
Segment results -				
Profit before income tax	186,691	711,342	369,342	1,267,375
Income tax expense	(37,423)	(51,754)	(18,467)	(107,644)
Profit for the period	149,268	659,588	350,875	1,159,731
<u>Other Segment Information</u>				
Capital expenditures	662,293	-	-	662,293
Depreciation	563,106	-	-	563,106
<u>Assets and Liabilities</u>				
As of 30 June 2018 (unaudited)				
Assets	19,041,757	51,090,223	7,740,099	77,872,079
Liabilities	20,687,469	-	-	20,687,469
31 December 2017 (audited)				
Assets	21,651,682	51,113,379	7,596,516	80,361,577
Liabilities	21,627,961	-	-	21,627,961