

العربية الدولية للفنادق م.ع.م.

Arab International Hotels PLC.

التاريخ : 2019/10/30

الإشارة : 7876/1/7/13

To: Amman Stock Exchange  
Subject: Quarterly Annual Report as  
of 30/9/2019

السادة : بورصة عمان المحترمين  
الموضوع : التقرير ربع السنوي كما هي في  
2019/9/30

Attached the Company's Quarterly  
Annual Report in English of Arab  
International Hotels Co. as of  
30/9/2019

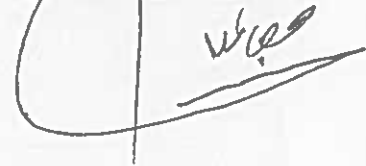
مرفق طيه نسخة من البيانات المالية ربع  
السنوية للشركة العربية الدولية للفنادق  
باللغة الانجليزية كما هي بتاريخ 2019/9/30

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



الشركة العربية الدولية للفنادق  
المتابعة المتعددة  
عمان - الأردن

بورصة عمان  
الدائرة الإدارية والتالية  
الديوان  
٢٠ شباط ٢٠١٩  
الرقم التسلسلي: ٤٩٥٥  
رقم الملف: ٧٧٧٥  
الجهة المختصة: المكتب الإداري

- مرفق:-

يحتوي نسخة عن الميزانية المبينة اعلاه

ص ب ٩٤١٦٧٦ عمان ١١١٩٤ الأردن تلفون ٥٦٦١٤١٦ (٩٦٢-٦) فاكس ٥٦٦٢٩٣٠ (٩٦٢-٦)

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**ARAB INTERNATIONAL HOTELS COMPANY**  
**(PUBLIC SHAREHOLDING)**

**INTERIM CONDENSED FINANCIAL**  
**STATEMENTS (UNAUDITED)**

**30 SEPTEMBER 2019**

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

### **Introduction**

We have reviewed the accompanying interim condensed financial statements of Arab International Hotels Public Shareholding Company comprising the interim condensed statements of financial position as at 30 September 2019 and the related interim condensed statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-month period then ended and explanatory information. The 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  
28 October 2019



**ARAB INTERNATIONAL HOTELS PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2019**

	Notes	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
<b>ASSETS</b>			
<b>Non-current assets -</b>			
Property and equipment	5	15,071,164	15,291,333
Financial assets at fair value through other comprehensive income	13	5,241,235	5,962,071
Investment in associates	6	48,435,926	49,918,942
		<u>68,748,325</u>	<u>71,172,346</u>
<b>Current assets -</b>			
Inventories		373,613	397,667
Accounts receivable and other current assets		1,105,680	1,071,470
Financial assets at amortized cost	10	1,500,000	1,500,000
Cash on hand and at banks	14	2,932,494	1,953,726
		<u>5,911,787</u>	<u>4,922,863</u>
<b>Total Assets</b>		<u>74,660,112</u>	<u>76,095,209</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
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		8,000,000	13,000,000
Fair value reserve		(3,430,685)	(2,707,922)
Company's share from fair value reserve / from investment in associates		(2,501,981)	(1,433,085)
Retained earnings		6,617,391	3,361,947
<b>Total Equity</b>		<u>52,329,418</u>	<u>55,865,633</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities -</b>			
Long-term loans	9	8,043,956	4,886,611
Bonds payable	7	10,000,000	10,000,000
		<u>18,043,956</u>	<u>14,886,611</u>
<b>Current liabilities -</b>			
Due to Banks	14	-	124,575
Current portion of long- term loans	9	1,484,310	2,193,310
Accounts payable		884,621	883,743
Provisions and other current liabilities		1,917,807	2,141,337
		<u>4,286,738</u>	<u>5,342,965</u>
<b>Total Liabilities</b>		<u>22,330,694</u>	<u>20,229,576</u>
<b>Total Equity and Liabilities</b>		<u>74,660,112</u>	<u>76,095,209</u>

The accompanying notes from 1 to 15 form part of these interim condensed financial statements

**ARAB INTERNATIONAL HOTELS PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS**  
**FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2019 (UNAUDITED)**

	Note	For the three months ended 30 September		For the nine months ended 30 September	
		2019	2018	2019	2018
		JD	JD	JD	JD
Operating revenues from Amman Marriott Hotel		2,712,562	2,987,960	7,931,442	8,331,541
Operating expenses from Amman Marriott Hotel		(2,064,788)	(2,170,772)	(6,035,982)	(6,219,928)
Depreciation on property and equipment		(337,751)	(315,879)	(999,095)	(934,318)
<b>Net operating revenues from the hotel</b>		<b>310,023</b>	<b>501,309</b>	<b>896,365</b>	<b>1,177,295</b>
Share of (loss) profit from associates		(201,299)	(258,554)	142,877	361,900
Dividends income		-	-	371,543	363,056
Other income		3,938	1,053	47,655	4,637
Depreciation of property and equipment		(6,879)	(9,124)	(20,637)	(26,902)
Interest income		44,313	37,857	118,603	140,639
Finance costs		(263,107)	(235,534)	(765,818)	(696,519)
Administrative expenses		(197,656)	(174,187)	(615,144)	(581,302)
<b>(Loss) profit before income tax</b>		<b>(310,667)</b>	<b>(137,180)</b>	<b>175,444</b>	<b>742,804</b>
Income tax expense	11	-	(24,224)	-	(75,328)
<b>(Loss) profit for the period</b>		<b>(310,667)</b>	<b>(161,404)</b>	<b>175,444</b>	<b>667,476</b>
		JD / Fils	JD / Fils	JD / Fils	JD / Fils
<b>Basic and diluted earnings per share</b>		<b>(0/010)</b>	<b>(0/005)</b>	<b>0/005</b>	<b>0/021</b>

The accompanying notes from 1 to 15 form part of these interim condensed financial statements

**ARAB INTERNATIONAL HOTELS PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE AND THE NINE MONTHS ENDED 30 SEPTEMBER 2019 (UNAUDITED)**

	For the three months ended 30		For the nine months ended 30	
	September		September	
	2019	2018	2019	2018
	JD	JD	JD	JD
<b>(Loss) Profit for the period</b>	(310,667)	(161,404)	175,444	667,476
<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	(206,086)	(146,333)	(722,763)	(466,465)
Company's share of net change in fair value reserve from investments in associates	(449,619)	(287,794)	(1,068,896)	(265,548)
<b>Total comprehensive income for the period</b>	<b>(966,372)</b>	<b>(595,531)</b>	<b>(1,616,215)</b>	<b>(64,537)</b>

The accompanying notes from 1 to 15 form part of these interim condensed financial statements

**ARAB INTERNATIONAL HOTELS PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 (UNAUDITED)**

	Paid-in capital JD	Share premium JD	Statutory reserve JD	Voluntary reserve JD	Fair value reserve* JD	Company's share from fair value reserve /from investment in associates* JD	Retained earnings JD	Total JD
<b>2019 -</b>								
Balance at 1 January 2019	32,000,000	3,644,693	8,000,000	13,000,000	(2,707,922)	(1,433,085)	3,361,947	55,865,633
Total comprehensive income for the period	-	-	-	-	(722,763)	(1,068,896)	175,444	(1,616,215)
Transfers (note 4)	-	-	-	(5,000,000)	-	-	5,000,000	-
Dividends paid (Note 8)	-	-	-	-	-	-	(1,920,000)	(1,920,000)
<b>Balance at 30 September 2019</b>	<b>32,000,000</b>	<b>3,644,693</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>(3,430,685)</b>	<b>(2,501,981)</b>	<b>6,617,391</b>	<b>52,329,418</b>
<b>2018 -</b>								
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	-	-	-	-	(466,465)	(265,548)	667,476	(64,537)
Transfers	-	-	-	(1,000,000)	-	-	1,000,000	-
Dividends paid	-	-	-	-	-	-	(2,080,000)	(2,080,000)
<b>Balance at 30 September 2018</b>	<b>32,000,000</b>	<b>3,644,693</b>	<b>8,000,000</b>	<b>13,000,000</b>	<b>(2,570,783)</b>	<b>(1,048,264)</b>	<b>3,563,433</b>	<b>56,589,079</b>

\* It is restricted to use an amount of JD 5,932,666 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 15 form part of these interim condensed financial statements**

**ARAB INTERNATIONAL HOTELS PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 (UNAUDITED)**

	For the nine months ended 30		
	September		
	Notes	2019	2018
	JD	JD	
<b><u>OPERATING ACTIVITIES</u></b>			
Profit before income tax		175,444	742,804
<b>Adjustments:</b>			
Depreciation of property and equipment		1,019,732	961,220
Finance costs		765,818	696,519
Interest income		(118,603)	(140,639)
Share of profit from associates		(142,877)	(361,900)
Dividends income		(371,543)	(363,056)
Gain from sale of Property and equipment		(46,410)	-
<b>Changes in working capital:</b>			
Accounts receivable and other current assets		(34,210)	(592,406)
Inventories		24,054	12,581
Accounts payable		878	96,335
Provisions and other current liabilities		(152,180)	281,778
Income tax paid		(71,350)	(116,296)
<b>Net cash flows from operating activities</b>		<b>1,048,753</b>	<b>1,216,940</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Proceed from sale of property and equipment		54,721	-
Interest income received		118,603	140,639
Purchase of financial assets at fair value through other comprehensive income		(1,927)	(463,715)
Purchase of property and equipment		(807,874)	(1,461,842)
Dividends received		371,543	363,056
Dividends received from associates		556,997	1,094,336
Purchase of associate companies shares		-	(428,480)
<b>Net cash flows from (used in) investing activities</b>		<b>292,063</b>	<b>(756,006)</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Dividends paid		(1,920,000)	(2,080,000)
Proceeds from loans		4,254,000	-
Repayments of loans		(1,805,655)	(1,640,222)
Finance costs paid		(765,818)	(696,519)
<b>Net cash flows used in financing activities</b>		<b>(237,473)</b>	<b>(4,416,741)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>1,103,343</b>	<b>(3,955,807)</b>
Cash and cash equivalents at 1 January		1,829,151	6,394,962
<b>Cash and cash equivalents at 30 September</b>	14	<b>2,932,494</b>	<b>2,439,155</b>

The accompanying notes from 1 to 15 form part of these interim condensed financial statements



**ARAB INTERNATIONAL HOTELS PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2019 (UNAUDITED)**

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**(1) GENERAL**

The Arab International Hotels Company (the "Company") was registered as a Public Shareholding Company in 1975 with 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.

The Company's Board of Directors have approved the interim condensed financial statements on 24 October 2019.

**(2) BASIS OF PREPARATION**

The interim condensed financial statements for the nine-month period ended 30 September 2019 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

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

The interim condensed financial statements are prepared under the historical cost convention except for the financial assets at fair value which are presented at fair value date of the financial statements.

The interim condensed financial statements do not contain all information and disclosures required for 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 2018. In addition, results for the nine month period ended 30 September 2019 do not necessarily indicate the expected results for the financial year ending 31 December 2019.

**(3) CHANGES IN ACCOUNTING POLICIES**

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2018 except for the adoption of new standards effective as of 1 January 2019 shown below:

**IFRS 16 Leases**

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Company is the lessor.

The Company adopted IFRS 16 using the modified retrospective approach with the date of initial application of 1 January 2019 accordingly, prior year financial statements were not restated. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The Company has no effect of adoption IFRS 16 as at 1 January 2019 as the Company's lease contracts have a lease term of 12 months or less and do not contain a purchase option.

#### **IFRIC Interpretation 23 Uncertainty over Income Tax Treatment**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

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

#### **Amendments to IFRS 9: Prepayment Features with Negative Compensation**

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

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

#### **Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture**

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

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

**Amendments to IAS 19: Plan Amendment, Curtailment or Settlement**

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

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

**Amendments to IAS 28: Long-term interests in associates and joint ventures**

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted.

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

**(4) LEGAL RESERVES**

**Statutory reserve**

The accumulated amounts in this account represent cumulative appropriations of 10% of the profit before income tax. The statutory reserve is not available for distribution to the shareholders. The Company is permitted to stop the yearly transfer when the reserve balance reaches 25% of the share capital. Hence, the Company did not transfer any additional amount to statutory reserve

**Voluntary reserve**

At its meeting held on 22 April 2019, the general assembly approved the transfer of JD 5,000,000 from voluntary reserve to retained earnings.

**(5) PROPERTY AND EQUIPMENT**

The Company purchased property and equipment at a cost of JD 807,874 during the nine-month period ended 30 September 2019 (30 September 2018: JD 1,461,842).

**ARAB INTERNATIONAL HOTELS PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2019 (UNAUDITED)**

**(6) INVESTMENT IN ASSOCIATES**

	% of ownership		Value	
	30 September 2019 %	31 December 2018 %	30 September 2019 JD	31 December 2018 JD
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Business Tourism Company	35.516	35.516	17,847,591	17,878,566
Al Dawliyah for Hotels and Malls Company	26.91	26.91	13,737,595	14,017,448
Interior Design Studio Company	25	25	27,092	40,970
Beaches Company for Hotels and Resorts	30.93	30.93	2,846,586	2,855,248
Jordan Investor Center Company	49.34	49.34	12,461,940	13,612,419
Arab International Real Estate Company	42.35	42.35	1,515,122	1,514,291
			<u>48,435,926</u>	<u>49,918,942</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 Centre 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 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Balance at 1 January	49,918,942	51,113,379
Dividends received	(556,997)	(1,094,338)
Share of profit from associates	142,877	121,790
Share of change in fair value reserve	(1,068,896)	(650,369)
Purchase of shares in associate*	-	428,480
	<u>48,435,926</u>	<u>49,918,942</u>

\* During 2018, the Company purchased 514,512 shares from Al- Dawliyah for Hotels and Malls Company.

**(7) 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 JD 1,000 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.

**ARAB INTERNATIONAL HOTELS PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2019 (UNAUDITED)**

**(8) DIVIDENDS**

The General Assembly approved in its meeting held on 22 April 2019, the distribution of cash dividends in the amount of JD 1,920,000 representing 6% of the paid in capital for 2018 results.

**(9) Loans**

	30 September 2019 (Unaudited)		31 December 2018 (Audited)	
	Current portion of long-term loans JD	Long term loans JD	Current portion of long-term loans JD	Long term loans JD
Jordan Ahli Bank – USD (1)	709,000	-	1,418,000	709,000
Jordan Ahli Bank – USD (2)	330,866	2,150,637	330,866	2,316,070
Jordan Ahli Bank – JD (3)	444,444	1,639,319	444,444	1,861,541
Jordan Ahli Bank – USD (4)	-	4,254,000	-	-
	<u>1,484,310</u>	<u>8,043,956</u>	<u>2,193,310</u>	<u>4,886,611</u>

**Jordan Ahli Bank – USD (1)**

This represents Jordan Ahli Bank loan amounting to USD 10,000,000 (JD 7,090,000). The Company signed an agreement with Jordan Ahli Bank on 6 August 2015 for a loan, which was granted against the Company's guarantee bearing an interest rate of 4.1%. The loan will be paid in 10 equal semi-annual instalments. The first instalment was due on 30 September 2015, and the interest will be paid every 6 months.

**Jordan Ahli Bank – USD (2)**

This represents Jordan Ahli Bank loan amounting to USD 4,200,000 (JD 2,977,800). The Company signed an agreement with Jordan Ahli Bank on 15 April 2015 for a loan, which was granted against the Company's guarantee bearing an interest rate of 4%. The loan will be paid in 18 equal semi-annual instalments. The first instalment was due on 30 September 2017. The loan instalments for the years 2017 and 2018 were rescheduled to 2025 and 2026. Interest will be paid every 6 months.

**Jordan Ahli Bank – JD (3)**

On 4 November 2015, the Company signed a loan agreement with Jordan Ahli Bank with a ceiling of JD 4,000,000 bearing an annual interest rate of 4% based on the daily balance utilized. The loan will be paid in 18 semi-annual instalments; the first instalment was due on 1 November 2017, and the last will be due on 1 May 2025.

**ARAB INTERNATIONAL HOTELS PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2019 (UNAUDITED)**

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**Jordan Ahli Bank – USD (4)**

This represents Jordan Ahli Bank loan amounting to USD 6,000,000 (JD 4,254,000). The Company signed an agreement with Jordan Ahli Bank on 26 March 2019 for a loan, which was granted against the Company's guarantee bearing an annual interest rate of 3 months LIBOR plus 2.5% at a minimum of 5%. The loan will be paid in 10 semi-annual instalments. The first instalment will be due on 28 February 2021, the interest will be paid on monthly basis.

**(10) FINANCIAL ASSETS AT AMORTIZED COST**

On 12 October 2017 Arab International Hotels Company 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 are due in one instalment on 12 October 2023. In October 2019 the Board of Directors decided to sell the Jordan Ahli Bank bonds, thus the bonds was classified as current assets.

**(11) INCOME TAX**

The income tax for the periods ended 30 September 2019 has not been calculated due to the excess in expenses over taxable income in accordance with income tax law no. (34) of 2014 amended by tax law no. (38) of 2018, while the income tax for the period ended 30 September 2018 was calculated in accordance with the Income Tax Law No. (34) of 2014.

The Company obtained a tax clearance letter up to the year 2018 except for the years 2016 and 2017, for which the income tax department have reviewed the Company's records, However they did not grant a clearance up to date of these financial statements.

**(12) TRANSACTION WITH RELATED PARTIES**

Related parties represent associated companies, sister 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.

**ARAB INTERNATIONAL HOTELS PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2019 (UNAUDITED)**

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

	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
<b>Assets:</b>		
Bank deposits - Jordan Ahli Bank	683,107	-
Current accounts - Jordan Ahli Bank	2,225,887	1,700,507
Financial assets at amortized cost (Note 10)	1,500,000	1,500,000
	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
<b>Liabilities:</b>		
Loans from Jordan Ahli Bank	9,528,266	7,079,921
Bonds payable owned by related parties (note 7)	7,300,000	7,300,000
	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
<b>Financial assets at fair value through other comprehensive Income</b>		
Jordan Worsted Mills	2,115,510	2,710,272
El Zay for Ready Wear Manufacturing Company	191,311	122,439
Jordan Ahli Bank	1,485,460	1,641,058
	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
<b>Due from included in receivables and other debit balances</b>		
Interior Design Studio Company Partner receivables	23,299	24,299
Petra Marriott Hotel	25,711	31,831
Jordan Valley Marriott Hotel	37,748	105,759
Al-Dawliyah for Hotels and malls Company	4,470	3,086
Jordan Investor Company	1,470	-
Business Tourism Company	1,470	766
	94,168	165,741

**ARAB INTERNATIONAL HOTELS PUBLIC SHAREHOLDING COMPANY**  
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- During 2018, the Company has purchased 514,512 shares of Al- Dwaliayh for Hotels and Malls Company Public Share Holding Company.
- During 2018, the Company participated in the capital increase of El- Zay for ready wear Manufacturing Company by an amount of JD 297,823.

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

	For the nine months ended 30	
	September (Unaudited)	
	2019	2018
	JD	JD
Key management salaries and benefits and Board of Directors remuneration	317,872	293,829
Interest income on deposits - Jordan Ahli Bank	33,011	61,373
Finance costs – Jordan Ahli Bank	354,448	285,149
Interest on bonds issued to related parties	301,125	251,625
Interest income financial assets at amortised cost	85,592	79,264
Dividends income	294,584	274,657

**(13) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE**

	30 September	31 December
	2019	2018
	JD	JD
	(Unaudited)	(Audited)
Investment in companies shares - quoted	5,064,235	5,785,071
Investment in companies shares – unquoted	177,000	177,000
	5,241,235	5,962,071

**(14) CASH AND CASH EQUIVALENTS**

	30 September	31 December
	2019	2018
	JD	JD
	(Unaudited)	(Audited)
Short-term deposits*	683,107	-
Cash on hands and at banks	2,249,387	1,953,726
	2,932,494	1,953,726
Less: Due to banks	-	(124,575)
	2,932,494	1,829,151

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





**ARAB INTERNATIONAL HOTELS PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2019 (UNAUDITED)**

	Hotel sector	Investment in financial assets	Total
	JD	JD	JD
<b>For the nine-month period ended 30 September 2018 (unaudited)-</b>			
Revenues	8,627,939	573,834	9,201,773
<b>Segment results -</b>			
<b>Profit before income tax</b>	168,970	573,834	742,804
Income tax expense	(14,463)	(60,865)	(75,328)
Profit for the period	154,507	512,969	667,476
<b><u>Other Segment Information</u></b>			
Capital expenditure	1,461,842	-	1,461,842
Depreciation	961,220	-	961,220
<b><u>Assets and Liabilities</u></b>			
<b>As of 30 September 2019 -(unaudited)</b>			
Assets	53,914,723	20,745,389	74,660,112
Liabilities	22,330,694	-	22,330,694
<b>31 December 2018 (audited)</b>			
Assets	53,465,458	22,629,751	76,095,209
Liabilities	20,229,576	-	20,229,576

The Company's share of profits from associates amounted to JD 142,877 as of 30 September 2019 (30 September 2018: JD 361,900)