AL DAWLIYAH FOR HOTELS AND MALLS COMPANY

PUBLIC SHAREHOLDING COMPANY

FINANCIAL STATEMENTS

31 DECEMBER 2023

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Al Dawliyah for Hotels and Malls Public Shareholding Company
Amman – Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Al-Dawliyah for Hotels and Malls Public Shareholding Company (the Company), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (including international independence standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Revenues Recognition	**How the key audit matter was addressed**
We have considered revenues recognition as one of the key audit matters as there are risks of misstatements when recording and recognizing revenue due to high volume of revenues with low value transactions. In addition, there is a risk that billing to guests and customers may be done for services that are not rendered or services rendered but not billed or recorded and hence may result in an overstatement or understatement of revenues. The Company focuses on revenues as a key performance measure, which may create an incentive for revenues to be recognized before rendering the service.	We considered the appropriateness of the Company's revenues recognition accounting policies in accordance with International Financial Reporting Standards. We tested the Company's controls around revenues recognition and key controls in the revenues recognition cycle. We performed analytical procedures on the gross margin for rooms, food, beverage, and other departments. Having built expectations about revenues figures for the year we performed substantive analytical procedures using financial and non-financial information. We also selected and tested a sample of the daily journal entries on revenue accounts. Disclosures related to revenues are disclosed in note (26) to the financial statements and disclosure of accounting policies around revenues recognition are disclosed in note (5) to the financial statement.

Other information included in the Company's 2023 annual report.

Other information consists of the information included in the Company's annual report for the year 2023, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2023 Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exist. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounts which are in agreement with the financial statements.

The partner in charge of the audit resulting in this auditor's report was Ali Samara ; license number 503.

ERNST & YOUNG
Amman - Jordan

Amman – Jordan
19 February 2024

AL DAWLIYAH FOR HOTELS AND MALLS PUBLIC SHAREHOLDING COMPANY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023	2022
ASSETS		JD	JD
Non-current assets -			
Property and equipment	6	51,739,088	52,626,761
Investment properties	7	1,523,038	1,523,038
Financial assets at fair value through other comprehensive income	9	3,490,784	2,985,846
Investment in associate companies	8	121,755	-
Deferred tax assets	21	467,233	600,038
		57,341,898	57,735,683
Current assets -			
Inventories		112,270	169,303
Accounts receivable and checks under collection	10	253,081	385,977
Other debit balances	11	284,829	281,070
Cash and short-term deposits	20	1,156,905	1,040,429
		1,807,085	1,876,779
Total assets		59,148,983	59,612,462
EQUITY AND LIABILITIES			
Equity -			
Paid-in capital	1,12	43,200,000	43,200,000
Statutory reserve	13	10,800,000	10,800,000
Fair value reserve	9	(1,406,516)	(1,598,866)
Accumulated losses		(2,185,639)	(2,584,922)
Total wquity		50,407,845	49,816,212
Non-current liability -			
Long-term loans	14	2,129,223	3,138,193
Current liabilities -			
Due to banks	15, 22	292,891	288,157
Current portion of long-term loans	14	4,612,594	4,533,453
Accounts payable		817,207	896,525
Other credit balances	16	889,223	939,922
		6,611,915	6,658,057
Total liabilities		8,741,138	9,796,250
Total equity and liabilities		59,148,983	59,612,462

AL DAWLIYAH FOR HOTELS AND MALLS PUBLIC SHAREHOLDING COMPANY
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023	2022
		JD	JD
Operating revenues of Amman Sheraton Hotel	26	10,522,791	8,787,313
Operating expenses of Amman Sheraton Hotel		(7,597,801)	(6,232,662)
Depreciation of property and equipment	6	(1,246,001)	(1,240,376)
Gross operational profit from the hotel		1,678,989	1,314,275
Other revenues	17	-	10,881
Depreciation	6	(10,341)	(7,232)
Finance costs		(283,389)	(271,199)
Administrative expenses	18	(728,743)	(691,054)
Solar project operating expenses		(154,550)	(94,951)
Company's Share of associate companies' losses	8	(27,991)	(28,458)
Impairment loss on investment	8	(16,838)	-
Dividends income	22	74,951	69,886
Profit for the year before income tax		532,088	302,148
Income tax expense for the year	21	(132,805)	(66,851)
Profit for the year		399,283	235,297
		JD/Fils	JD/Fils
Basic and diluted earnings per share from Company's profit for the year	19	0/009	0/005

The accompanying notes from 1 to 27 form part of these financial statements

Al Dawliyah for Hotels and Malls Public Shareholding Company
Statement of Comprehensive Income
For the Year Ended 31 December 2023

	Notes	2023	2022
		JD	JD
Profit for the year		399,283	235,297
Add: Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods			
Net change in fair value reserve	9	192,350	(69,107)
Total comprehensive income for the year		591,633	166,190

The accompanying notes from 1 to 27 form part of these financial statements

AL DAWLIYAH FOR HOTELS AND MALLS PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Paid-in capital	Statutory reserve	Fair value reserve	Accumulated losses*	Total
	JD	JD	JD	JD	JD
2023 –					
Balance as at 1 January 2023	43,200,000	10,800,000	(1,598,866)	(2,584,922)	49,816,212
Profit for the year	-	-	-	399,283	399,283
Other comprehensive income items	-	-	192,350	-	192,350
Total comprehensive income for the year	-	-	192,350	399,283	591,633
Balance as at 31 December 2023	43,200,000	10,800,000	(1,406,516)	(2,185,639)	50,407,845
2022 –					
Balance as at 1 January 2022	43,200,000	10,800,000	(1,529,759)	(2,820,219)	49,650,022
Profit for the year	-	-	-	235,297	235,297
Other comprehensive income items	-	-	(69,107)	-	(69,107)
Total comprehensive income for the year	-	-	(69,107)	235,297	166,190
Balance as at 31 December 2022	43,200,000	10,800,000	(1,598,866)	(2,584,922)	49,816,212

* An amount of JD 1,406,516 (JD 1,598,866 as at 31 December 2022) of the accumulated losses is restricted which represents the net negative balance of the fair value reserve as at 31 December 2023.

AL DAWLIYAH FOR HOTELS AND MALLS PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023	2022
OPERATING ACTIVITIES		JD	JD
Profit for the year before income tax		532,088	302,148
Adjustments -			
Depreciation	6	1,256,342	1,247,608
Finance costs		283,389	271,199
Bank interest income	17	-	(10,881)
Expected credit losses provision	10	3,987	1,353
Dividends income	22	(74,951)	(69,886)
Company's Share of associate companies' losses	8	27,991	28,458
Impairment loss on investment	8	16,838	-
Changes in working capital -			
Inventories		57,033	35,336
Accounts receivable and checks under collection		128,909	(170,763)
Other debit balances		(3,759)	(30,749)
Accounts payable		(79,318)	162,206
Other credit balances		(50,699)	145,139
Net cash flows from operating activities		2,097,850	1,911,168
INVESTING ACTIVITIES			
Purchase of property and equipment	6	(368,669)	(474,542)
Maturity of financial assets at amortized cost		-	500,000
Purchase of financial assets at fair value through other comprehensive income	9	(312,588)	(200,000)
Bank interest income received	17	-	10,881
Investing in associate companies	8	(166,584)	-
Dividends income received	22	74,951	69,886
Net cash flows used in investing activities		(772,890)	(93,775)
FINANCING ACTIVITIES			
Repayments of loans	14	(6,636,296)	(5,551,066)
Proceeds from loans	14	5,706,467	3,322,800
Finance costs paid		(283,389)	(271,199)
Net cash flows used in financing activities		(1,213,218)	(2,499,465)
Net Increase (decrease) in cash and cash equivalents		111,742	(682,072)
Cash and cash equivalents at the beginning of the year		752,272	1,434,344
Cash and cash equivalents at the end of the year	20	864,014	752,272

The accompanying notes from 1 to 27 form part of these financial statements

(1) GENERAL

Al Dawliyah for Hotels and Malls Public Shareholding Company was established as a result of the merger of the 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 (limited liability company). The Company's authorized and paid-in capital amounted to JD 43,200,000 divided into 43,200,000 shares with a par value of JD 1 per share as at 31 December 2023 and 2022.

The Company's main activities are to develop, construct, sell, purchase, rent, and lease hotels, restaurants, theatres, swimming pools, and malls for its own accounts or for others.

The Company and Sheraton Overseas Management Corporation have signed Amman Sheraton Hotel's management agreement on 4 April 1995. The agreement is valid for 20 years commencing from the day of the official opening of the Hotel, that was at the end of 2001. During 2022, the agreement was renewed until the year 2041.

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

The financial statements were approved by the Company's Board of Directors on 12 February 2024, these financials statements require the approval of the general assembly of the company's shareholders.

(2) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(2-1) BASIS OF PREPARATION

The financial statements have been prepared the historical cost basis 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 financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

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

(3) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2022 except for the adoption of new amendments on the standards effective as of 1 January 2023 shown below:

IFRS 17 Insurance Contracts
In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 has been applied retrospectively on 1 January 2023. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard is not applicable to the Company.

Definition of Accounting Estimates - Amendments to IAS 8
In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no material impact on the Company.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no material impact on the Company.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no material impact on the Company.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

• A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

• Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Company's financial statements as the Company is not in scope of the Pillar Two model rules as its revenue is less that EUR 750 million/ year.

(4) USE OF ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

In the opinion of the Company's management, it estimates included in the financial statement are reasonable and are disaggregated as follows:

Expected credit losses provision of accounts receivable: Expected credit losses provision on receivables is reviewed using the principles and assumptions approved by the Company's management to estimate the provision amount in accordance with IFRS requirements.

Income tax provision: The income tax expense is charged to the fiscal year in accordance with the regulations, laws and accounting standards and the required tax provision shall be calculated. The amount of income tax provision depends on various factors such as, the Company's experience from auditing prior periods tax. In addition to that, the Company appoints an independent tax advisor to review the calculation of the income tax provision.

Deferred Tax Assets: Deferred tax assets are recognised for all temporary timing differences relating to non-deductible expenses and losses that are likely to be included as part of taxable income. The determination of the value of deferred tax assets that can be recognised based on the expected timing and the level of future taxable profits, require the opinion and judgement of the management of the Company. Details of the income tax provision are disclosed in note (21).

Useful life of properties and equipment: The Company's management reassess the useful life for tangible assets periodically for the purpose of calculating depreciation depending on the expected useful life of these assets. Impairment is recorded in the statement of profit and loss (if any).

Legal provision: To meet any legal obligations, provisions are made for these obligations based on the opinion of the Company's legal advisor.

(5) MATERIAL ACCOUNTING POLICY INFORMATION

Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses if any (except for land).

Property and equipment are depreciated using the straight-line method over their estimated useful lives using the following annual depreciation rates:

	%
Hotel building	1.5
Machinery, equipment and tools	6-20
Furniture and fixture	8
Vehicles	15
Solar project	5

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. When the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amounts and the loss is recorded in the statement of comprehensive income.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefit from items of property and equipment.

Investment properties
Investment properties represents investments in lands and buildings that the Company is keeping either to lease or until its value increases, excluding lands and buildings used in the operating activities, the Company's' usual activities or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and/or accumulated impairment losses. Investment properties (except for land) are depreciated when it is ready to be used on a straight-line basis over their estimated useful lives.

Cash and cash equivalents
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand and balances at bank and short-term deposits with maturities of three months or less, net of outstanding bank overdrafts.

Accounts receivable
Accounts receivable are stated at original invoice amount less any provision of expected credit losses. The Company applies the simplified approach in calculating the expected credit losses in accordance with the International Financial Reporting Standards (IFRS 9).

Inventories
Inventories are valued at cost using the (weighted average costing) or net realizable value whichever is lower.

Investments in associate companies
An associate is an entity in which the Company has significant influence on the financial and operating decision making (the Company does not control) which the company owns 20% to 50% from the voting rights. The Company's investments in its associates are accounted for using the equity method.

Income and expenses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

Based on the equity method, investments in associates are shown at cost. The book value of the investment is later adjusted to reflect the Company's share of the changes in net assets since the ownership date. Goodwill resulting from the associate is recorded as part of the investment account and is not subject to amortization nor impairment on an individual basis.

The statement of profit or loss reflects the Company's share of the associates results. Any changes in other comprehensive income for this investment is reflected in the statement of comprehensive income. In the case where there are changes in the equity of the asscoiate, these changes are reflected in the statement of changes in equity. Profits and losses resulting from intercompany transactions between the Company and the associate are eliminated based Company's share in the associate.

The Company's share in the profit or loss of the associate Company is shown in the statement of profit or loss outside of operating profits. It represents the after tax profits or losses and non-controlling interests in the asscoiate company.

The financial statements of the associate company are prepared at the same period of those for the Company, using the same accounting policies.

After applying the equity method, the Company determines If there is a necessity to calculate an impairment loss on the investment of the associate company. At the end of each financial year, the Company determines whether the are any objective evidence indicating impairment in the investment of the associate company. In case there are indicators of impairment, the Company calculates the impairment loss as difference between the net realizable value of the associate investment and Its book value. The loss is recognized in the statement of profit or loss.

When the significant influence on the associate is lost, the Company calculates and recognizes the return on investment at fair value. And recognize any differences between the book value and the fair of the investment in the statement of profit or loss.

Financial assets at amortized cost
Financial assets at amortized cost are the financial assets that the Company's management, in accordance with its business model, intends to maintain in order to collect contractual cash flows which consist of payments of principal and interest on the outstanding debt balance.

These assets are recognized at cost, plus acquisition costs, and the provision / discount is amortized using the effective interest method, debited or credited to the interest, and any impairment charge is removed and the original or part of the asset cannot be recovered. Their values are recognized in the statement of income.

The amount of impairment in value of these assets represents the difference between the carrying value and the present value of the expected cash flows discounted using the original effective interest rate.

Financial assets at fair value through other comprehensive income
These assets represent investment in equity instruments with the purpose of retaining it for a long-term.

These financial assets are recorded at fair value plus acquisition costs at the date of acquisition and subsequently measured at fair value. Changes in fair value are reported as a separate component in the statement of comprehensive income and in the statement of equity including the change in fair value resulting from conversion differences of non-cash items of assets at foreign currencies. In case of sale of such assets or part of it, the gain or loss is recorded at the statement of comprehensive income and in the statement of equity and the valuation reserve balance for sold assets will be transferred directly to retained earnings and not through income statement.

Fair value
The Company measures financial instruments such as financial assets at fair value through other comprehensive income at fair value on the date of the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Accounts payable and accruals
Liabilities are recognized for amounts to be paid in the future for services or goods received, whether billed by the supplier or not.

Provisions are recognized when the Company has a present obligation (legal or constructive) arising from a past event and the cost to settle the obligation is both probable and able to be reliably measured.

Loans and due to banks
Loans are initially recognized at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into consideration any discount or acquisition premium, fees and costs are an integral part of the effective interest rate. Finance costs are recognised in the consolidated statement of comprehensive income.

Segment reporting
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

The Company's three reporting segments consists of the revenues and expenditures of Sheraton Amman Hotel, investments in financial assets and investment properties.

Revenue and expenses recognition
Revenue is recognized based on the five-step model framework derived from the International Financial Reporting Standards (IFRS 15) which includes the identification of the contract, price, allocating the contract price to the performance obligation in the contract and recognizing revenue when the company satisfies the performance obligation. Whereby revenue is recognized when selling goods to the customers and issuing the invoice to the customer at a point in time.

Hotel operating revenue is recognized when rendering services or selling food and beverage to customers.

Other income is recognised on accrual basis.

Dividends income are recognized when approved by the general assemblies of the investee companies.

Expenses are recognised on accrual basis.

Foreign currencies
Foreign currency transactions during the year are recorded using exchange rates that are in effect at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinars using the prevailing exchange rates at year end. Foreign exchange gains or losses are reflected in the statement of profit or loss.

Income Tax
The income tax expense represents the accrued tax expenses and the deferred income tax.

Accrued tax expenses are calculated based on taxable income, which may be different from accounting income as it may include non-taxable income, non-deductible expenses in the current year that are taxable/deductible in subsequent years, tax-accepted accumulated losses or non-taxable or deductible items.

Income tax for the years is accounted for in accordance with the income tax rates of the Hashemite Kingdom of Jordan.

Deferred tax assets are recognized for all deductible temporary differences such as unused tax expenses and losses to the extent that it is probable that taxable profit will be available against which the loses can be utilized.

Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.

(6) PROPERTY AND EQUIPMENT

	2023							
	Land and projects under construction **	Amman Sheraton Hotel land*	Amman Sheraton Hotel building	Machinery, equipment and tools	Furniture and fixtures	Vehicles	Solar project	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Cost -								
At 1 January 2023	3,809,058	6,531,407	52,605,992	6,742,089	7,097,756	98,018	3,946,448	80,830,768
Additions	-	-	290,949	19,615	38,230	6,375	13,500	368,669
At 31 December 2023	3,809,058	6,531,407	52,896,941	6,761,704	7,135,986	104,393	3,959,948	81,199,437
Accumulated depreciation -								
At 1 January 2023	-	-	15,089,574	5,794,840	6,344,455	46,269	928,869	28,204,007
Depreciation for the year ***	-	-	789,090	122,085	139,220	8,625	197,322	1,256,342
At 31 December 2023	-	-	15,878,664	5,916,925	6,483,675	54,894	1,126,191	29,460,349
Net book value								
At 31 December 2023	3,809,058	6,531,407	37,018,277	844,779	652,311	49,499	2,833,757	51,739,088

* The Sheraton Amman Hotel land is mortgaged as a first-degree collateral for the Jordan Ahli Bank (note 14).

** Projects under construction represent the commercial centre project of the Sheraton Amman Hotel, with an estimated cost of three million Jordanian Dinars, and it is expected to be completed during 2028.

*** The depreciation expense for the year ended 31 December 2023 is divided between depreciation of operating property and equipment amounted to JD 1,246,001 and depreciation of administrative property and equipment amounted to JD 10,341 (2022: JD 1,240,376 and JD 7,232).

**** Fully depreciated property and equipment used in the Company's operations amounted to JD 10,585,132 as at 31 December 2023 (2022: JD 10,358,779).

	2022							
	Land and projects under construction **	Amman Sheraton Hotel land*	Amman Sheraton Hotel building	Machinery, equipment and tools	Furniture and fixtures	Vehicles	Solar project	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Cost -								
At 1 January 2022	3,809,058	6,531,407	52,276,615	6,692,301	7,071,369	100,218	3,934,958	80,415,926
Additions	-	-	329,377	49,788	26,387	57,500	11,490	474,542
Disposal	-	-	-	-	-	(59,700)	-	(59,700)
At 31 December 2022	3,809,058	6,531,407	52,605,992	6,742,089	7,097,756	98,018	3,946,448	80,830,768
Accumulated depreciation -								
At 1 January 2022	-	-	14,305,426	5,681,319	6,197,015	100,218	732,121	27,016,099
Depreciation for the year ***	-	-	784,148	113,521	147,440	5,751	196,748	1,247,608
Disposal	-	-	-	-	-	(59,700)	-	(59,700)
At 31 December 2022	-	-	15,089,574	5,794,840	6,344,455	46,269	928,869	28,204,007
Net book value								
At 31 December 2022	3,809,058	6,531,407	37,516,418	947,249	753,301	51,749	3,017,579	52,626,761

(7) INVESTMENTS PROPERTIES

Investment properties represent land presented at cost.

Fair value of investment properties amounted to JD 2,938,830 as at 31 December 2023 (JD 2,938,830 as at 31 December 2022).

(8) INVESTMENT IN ASSOCIATE COMPANIES

	Ownership percentage		Amount	
	2023	2022	2023	2022
	%	%	JD	JD
Interior Design Studio Company	22	-	-	-
Al-Marasi for Development and Management Company	21.43	-	121,755	-
			121,755	-

Following is a summary for the activity in associate companies:

Company	Company activity
Interior Design Studio Company	Decoration and designs for hotels
Al-Marasi for Development and Management Company	Maintenance and cleaning of beaches and ports

Movement on investment in associate companies was as follows:

	2023	2022
	JD	JD
Balance at 1 January	-	28,458
Stocks purchase in associate companies	166,584	-
Company’s Share of associate companies’ losses	(27,991)	(28,458)
Impairment loss on investment - Interior Design Studio Company	(16,838)	-
Balance at 31 December	121,755	-

The following table summrize of the financial information for Company's investment in associates:

2023 -	Al-Marasi for Development and Danagement Company	Interior Design Studio Company	Total
	JD	JD	JD
Investment in associate companies			
Current assets	486,150	381,482	867,632
Non-current assets	981,602	4,791	986,393
Current liabilities	(649,700)	(343,427)	(993,127)
Non-current liabilities	(249,900)	(26,153)	(276,053)
Equity	568,152	16,693	584,845
Ownership %	21.43	22	-
Investment value	121,755	16,838	138,593
Investment impairment loss	-	(16,838)	(16,838)
Net investment value	121,755	-	121,755
Revenues			
Operating income	-	292,046	292,046
Operating expenses	-	(193,138)	(193,138)
Administrative expenses	(102,035)	(79,022)	(181,057)
Finance cost	(29,767)	(18,732)	(48,499)
Loss for the year	(131,802)	1,154	(130,648)
Company's share from (loss) profit for the year	(28,245)	254	(27,991)

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

	2023	2022
	JD	JD
Investments in quoted shares	1,416,616	1,325,268
Investments in unquoted shares	2,074,168	1,660,578
	3,490,784	2,985,846

Movement on financial assets at fair value through other comprehensive income was as follows:

	2023	2022
	JD	JD
Balance as at 1 January	2,985,846	2,854,953
Purchase of financial assets at fair value through other comprehensive income	312,588	200,000
Change in fair value of financial assets at fair value through other comprehensive income	192,350	(69,107)
Balance as at 31 December	3,490,784	2,985,846

Movement on fair value reserve was as follows:

	2023	2022
	JD	JD
Balance as at 1 January	(1,598,866)	(1,529,759)
Change in fair value	192,350	(69,107)
Balance as at 31 December	(1,406,516)	(1,598,866)

(10) ACCOUNTS RECEIVABLE AND CHECKS UNDER COLLECTION

	2023	2022
	JD	JD
Accounts receivable	258,685	356,707
Checks under collection	4,250	35,137
Less: expected credit losses provision*	(9,854)	(5,867)
	253,081	385,977

*Movement on expected credit losses provision was as follows:

	2023	2022
	JD	JD
Balance as at 1 January	5,867	4,514
Provision for the year	3,987	1,353
Balance as at 31 December	9,854	5,867

As at 31 December, the aging of unimpaired receivables net of expected credit losses provision was as follows:

		Due but not impaired receivables					
	Not past due nor impaired	1 – 30 days	31 – 60 days	61 – 90 days	91 – 120 days	More than120 days	Total
	JD	JD	JD	JD	JD	JD	JD
2023	50,809	100,938	61,905	26,738	9,851	2,840	253,081
2022	84,960	164,921	94,616	33,912	6,907	661	385,977

The management expects to collect all unimpaired receivables balances. It is not the practice of the Company to obtain collaterals against these receivables and accordingly they are unsecured.

(11) OTHER DEBIT BALANCES

	2023	2022
	JD	JD
Prepaid expenses	123,308	127,559
Refundable deposits	142,906	142,906
Advance payments	12,537	4,609
Employees receivable	5,190	5,108
Prepaid income tax	888	888
	284,829	281,070

(12) PAID IN CAPITAL

The Company's authorized and paid-in capital amounted to JD 43,200,000 divided into 43,200,000 shares with par value of JD 1 per share.

(13) STATUTORY RESERVE

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

(14) LOANS

Loans were classified according to their maturity date as follows:

	31 December 2023		31 December 2022	
	Long-term loan instalments due within a year	Long term loans	Long-term loan instalments due within a year	Long term loans
	JD	JD	JD	JD
Jordan Ahli Bank - JD (1)	690,000	344,082	690,000	1,034,082
Jordan Ahli Bank - USD (2)	760,126	173,950	681,600	163,726
Jordan Ahli Bank - USD (3)	2,839,468	-	2,838,853	-
Jordan Ahli Bank - JD (4)	323,000	1,611,191	323,000	1,940,385
	4,612,594	2,129,223	4,533,453	3,138,193

Loan (1)
The Company signed a loan agreement with Jordan Ahli Bank on 5 November 2016 for an energy loan with a ceiling of JD 4,000,000 and bears an annual fixed interest rate of 3.5% on the utilized daily balance. The loan is repayable in 18 equal semi-annual instalments, the first instalment was due on 1 November 2016 and the last instalment is due on 1 May 2025. The utilized loan balance amounted to JD 1,034,082 as at 31 December 2023 (JD 1,724,082 as at 31 December 2022).

Loan (2)
The Company signed a loan agreement with Jordan Ahli Bank on 19 September 2018 for a loan with a ceiling of USD 2,000,000. During 2019, the Company has increased the ceiling of the loan to become USD 3,000,000, based on the instructions of the Central Bank of Jordan the interest rate has increased during the year 2023 to become 6.83% annually (2022: 4.875%). The loan is repayable in 24 equal monthly instalments, the first instalment was due on 18 December 2019 and the last instalment is due on 26 March 2026. During 2021, the Company rescheduled the loan by which the instalments due during the year 2021 were postponed to the years 2022 and 2023. The utilized loan balance amounted to JD 934,076 as at 31 December 2023 (JD 845,326 as at 31 December 2022).

Loan (3)
The Company signed a loan agreement with Jordan Ahli Bank on 31 March 2012 for a revolving loan amounted to USD 4,000,000. The interest rate has increased during the year 2023 to become 6.83% annually (2022: 4.875%). The loan is repayable in 5 instalments. During the year 2021, the Company rescheduled the loan by which the instalments due during the year 2021 were postponed to the years 2023 and 2024. The utilized loan balance amounted to JD 2,839,468 as at 31 December 2023 (JD 2,838,853 as at 31 December 2022).

Loan (4)
The Company signed a loan agreement with Jordan Ahli Bank on 8 September 2020 with a ceiling of JD 2,585,000 and bears an annual interest rate of 3% on the utilized daily balance. This loan is subject to the Central Bank's special instructions relating to providing loans and advances in support of the economic sectors. The loan is repayable in 16 instalments, the first instalment was due on 30 September 2021 and the last instalment is due on 31 December 2029. The utilized loan balance amounted to JD 1,934,191 as at 31 December 2023 (JD 2,263,385 as at 31 December 2022).

- The maturities of the annual payments of long-term loans are as follows:

Year	JD
2025	766,482
2026	397,550
2027	323, 000
2028	323,000
2029 and thereafter	319,191
	2,129,223

- The movement on loans was as follows:

	2023	2022
	JD	JD
Balance at the beginning of the year	7,671,646	9,899,912
Proceeds from loans	5,706,467	3,322,800
Loans repayments	(6,636,296)	(5,551,066)
Balance at the end of the year	6,741,817	7,671,646

The above loans were granted against a first-degree collateral (Amman Sheraton Hotel land).

(15) DUE TO BANKS

This item represents the utilized amounts of the overdraft facilities granted from Jordan Ahli Bank with a ceiling of JD 1,500,000 bearing an annual interest rate of 9% as at 31 December 2023. These facilities were granted against a first-degree collateral on Amman Sheraton Hotel land.

(16) OTHER CREDIT BALANCES

	2023	2022
	JD	JD
Accrued expenses	411,120	392,674
Sales tax payable	29,679	23,373
Deferred revenues	159,710	105,049
Undistributed dividends	230,313	331,956
Others	58,401	86,870
	889,223	939,922

(17) OTHER REVENUES

	2023	2022
	JD	JD
Bank interest income	-	10,881

(18) ADMINISTRATIVE EXPENSES

	2023	2022
	JD	JD
Salaries, wages and other benefits for employees	322,410	289,587
Bonuses	50,000	80,000
Social security expenses	13,021	12,396
Board of Directors transportation and bonuses (note 22)	109,800	98,800
Professional and consulting fees	9,212	19,670
Insurance expenses	61,407	59,926
Maintenance expenses	2,644	2,887
Rent	19,350	4,350
Governmental fees	96,380	74,974
Electricity, Water and phones	5,437	5,193
Donations	1,000	26,000
Travel and transportation	12,555	-
Others	25,527	17,271
	728,743	691,054

(19) EARNINGS PER SHARE FROM COMPANY'S PROFIT FOR THE YEAR

	2023	2022
Profit for the year attributed to the Company's shareholders (JD)	399,283	235,297
Weighted average number of shares (share)	43,200,000	43,200,000
Basic earnings per share from the Company's profit for the year *	0/009	0/005

* The diluted earnings per share from the Company's profit for the year is equal to the basic earnings per share of profit for the year.

(20) CASH AND CASH EQUIVALENTS

The details of cash and bank deposits are as follows:

	2023	2022
	JD	JD
Cash on hands and balances at banks	396,757	363,382
Short term deposits*	760,148	677,047
	1,156,905	1,040,429

* Short-term deposits represent deposits at banks in Jordanian Dinar with a monthly maturity and bears an average interest rate of 4.75% as at 31 December 2023 (31 December 2022: 3.875%).

For the preparation of cash flows statement purposes, cash and cash equivalents details are as follows:

	2023	2022
	JD	JD
Cash on hands and balances at banks	396,757	363,382
Short term deposits	760,148	677,047
Due to banks (note 15)	(292,891)	(288,157)
	864,014	752,272

(21) INCOME TAX

Income tax provision was calculated for the years 2023 and 2022 in accordance with income tax law no. (34) for the year 2014 and its amendments.

The Company obtained a final tax clearance from the income tax department up to the year 2021.

The Company submitted its annual income tax returns for the years until 2022 and the Income and Sale Tax Department has not reviewed these tax returns up to the date of these financial statements.

The reconciliation between the accounting profit and taxable income is as follows:

	2023	2022
	JD	JD
Accounting profit before income tax	532,088	302,148
Less: non-taxable income	(140,377)	(138,672)
Add: non-deductible expenses	240,693	154,861
Taxable profit	632,404	318,337
Income tax for the year	132,805	66,851
Statutory income tax rate	20%	20%
National contribution tax rate	1%	1%
Effective income tax rate	25%	22%

Income tax expense shown in the statement of profit or loss is as follows:

	2023	2022
	JD	JD
Income tax expense for the year	132,805	66,851

The movement on deferred tax assets is as follows:

	2023	2022
	JD	JD
Balance as at 1 January	600,038	666,889
Released from deferred tax assets	(132,805)	(66,851)
Balance as at 31 December	467,233	600,038

(22) TRANSACTION WITH RELATED PARTIES

Related parties represent Jordan Ahli Bank, major shareholders, directors and key management personnel of the Company. Pricing policies and terms of these transactions are approved by the Company's management.

Related parties' balances included in the statement of financial position are as follows:

	2023	2022
	JD	JD
Assets:		
Deposits at Jordan Ahli Bank (shareholder) (note 20)	-	677,047
Current accounts at Jordan Ahli Bank (shareholder)	373,358	350,582
Financial assets at fair value through other comprehensive income		
El – ZAY for Ready Wear Manufacturing Company	98,000	80,000
Jordan Worsted Mills Company (sister company)	729,765	723,008
Jordan Investor Center Company (sister company)	2,026,168	1,574,905
Liabilities:		
Loans and credit facilities granted from Jordan Ahli Bank (shareholder) (note14)	6,741,817	7,671,646
Due to bank - Jordan Ahli Bank (shareholder) (note15)	292,891	288,157

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

	2023	2022
	JD	JD
Salaries, Bonuses and other benefits-key management personnel	231,060	223,305
Transportation allowances and benefits for Board of Directors (note 18)	109,800	98,800
Chairman representation remuneration	50,000	50,000
Interest income – Jordan Ahli Bank (shareholder)	-	8,476
Interest income – financial assets at amortized cost – Arab International Hotels Company (sister company)	-	2,405
Finance costs – Jordan Ahli Bank (shareholder)	283,389	271,199
Dividends income (sister company)	74,951	69,886

(23) RISK MANAGEMENT

Interest rate risk

The Company is exposed to interest rate risk on its interest-bearing assets and liabilities such as bank deposits, bank overdraft, and loans.

The following table demonstrates the sensitivity of the statement of profit and loss to reasonably possible changes in interest rates as at 31 December 2023 and 2022, with all other variables held constant.

The sensitivity of the statement of profit or loss is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2023 and 2022.

2023-	Increase in interest rate	Effect on profit for the year
Currency	(Basis points)	JD
JD	25	(10,259)
USD	25	(9,446)

	Decrease In interest rate	Effect on profit for the year
Currency	(Basis points)	JD
JD	(25)	10,259
USD	(25)	9,446

2022- Currency	Increase in interest rate (Basis points)	Effect on Loss for the year JD
JD	25	(12,524)
USD	25	(9,224)

Currency	Decrease in interest rate (Basis points)	Effect on loss for the year JD
JD	(25)	12,524
USD	(25)	9,224

Equity price risk

The following table demonstrates the sensitivity of the effect in fair value to reasonably possible changes in share prices, with all other variables held constant:

2023- Index	Change in Index (%)	Effect on equity JD
Amman Stock Exchange	5	70,831

2022 - Index	Change in Index (%)	Effect on equity JD
Amman Stock Exchange	5	66,263

The effect of decrease in equity price is expected to be equal and opposite to the effect of the change shown above.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The Company seeks to limit its credit risk with respect to banks by only dealing with reputable banks.

The Company provides its services to a large number of customers. No customer represents 10% of the receivables as at 31 December 2023 and 2022.

Liquidity risk

The Company limits its liquidity risk by ensuring bank facilities are available.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December 2023, based on contractual payment dates and current market interest rates:

	Less than 3 months	3 to 12 months	1 to 3 Years	More than 3 Years	Total
	JD	JD	JD	JD	JD
31 December 2023					
Accounts payable	817,207	-	-	-	817,207
Loans	1,526,822	3,329,506	1,203,935	994,147	7,054,410
Other credit balances	729,513	-	-	-	729,513
Due to banks	306,803	-	-	-	306,803
Total	3,380,345	3,329,506	1,203,935	994,147	8,907,933
31 December 2022					
Accounts payable	896,525	-	-	-	896,525
Loans	1,253,833	3,527,751	1,909,347	1,333,216	8,024,147
Other credit balances	846,832	-	-	-	846,832
Due to banks	314,812	-	-	-	314,812
Total	3,312,002	3,527,751	1,909,347	1,333,216	10,082,316

Currency risk

Most of the Company's transactions are in Jordanian Dinars and US Dollar. The Jordanian Dinar is fixed against US Dollar (1.41 USD / 1JD).

(24) FAIR VALUE FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and liabilities.

Financial assets consist of cash on hand and balances at banks, short-term deposits, account receivable, checks under collection and some other debit balances. Financial liabilities consist of accounts payable, due to banks, loans, and some other credit balances.

The fair value for financial instruments does not differ in a material amount from the book value for those instruments.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the disclosure for financial instruments at fair value, and with the application of the levels mentioned above:

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
2023-				
Financial assets at fair value through other comprehensive income	1,416,616	-	2,074,168	3,490,784
2022-				
Financial assets at fair value through other comprehensive income	1,325,268	-	1,660,578	2,985,846

(25) CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies, or processes for the current year and previous year.

Capital comprises of paid-in capital, statutory reserve, fair value reserve, and accumulated losses and is measured at JD 50,407,845 as at 31 December 2023 (as at 31 December 2022: JD 49,816,212). The Company's current liabilities exceeded its current assets by JD 4,804,830.

(26) 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.

The following table represents Sheraton Amman Hotel operating revenues:

	2023	2022
	JD	JD
Rooms' revenues	5,538,396	5,010,501
Food and beverage revenues	3,649,130	2,763,686
Other revenues	1,335,265	1,013,126
	10,522,791	8,787,313

The following table represents the business segment information:

	Hotels sector	Investment in financial assets	Total
2023 -	JD	JD	JD
Revenues, net	10,522,791	30,122	10,552,913
Business results -			
Profit (loss) before income tax	1,678,989	(1,146,901)	532,088
Income tax	(132,805)	-	(132,805)
Profit (loss) for the year	1,678,989	(1,279,706)	399,283
Other segment information			
Capital expenditures	368,669	-	368,669
Depreciation	1,246,001	10,341	1,256,342
2022 -			
Revenues, net	8,787,313	52,309	8,839,622
Profit (loss) before income tax	1,314,275	(1,012,127)	302,148
Income tax	(66,851)	-	(66,851)
Profit (loss) for the year	1,314,275	(1,078,978)	235,297
Other segment information			
Capital expenditures	474,542	-	474,542
Depreciation	1,240,376	7,232	1,247,608

	Hotels sector	Investment properties	Investment in financial assets	Total
	JD	JD	JD	JD
Assets and liabilities				
As at 31 December 2023 -				
Segment assets	54,013,406	1,523,038	3,612,539	59,148,983
Segment liabilities	8,741,138	-	-	8,741,138
As at 31 December 2022 -				
Segment assets	55,103,578	1,523,038	2,985,846	59,612,462
Segment liabilities	9,796,250	-	-	9,796,250

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

(27) STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company financial statements are disclosed below. The company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective:

Amendments to IFRS 16: *Lease Liability in a Sale and Leaseback*
In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a "seller-lessee" uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the "seller-lessee" does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*
In January 2020 and October 2022, the IASB issued amendments to paragraphs (69) to (76) of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a "right to defer settlement",
- That a right to defer must exist at the end of the reporting period,
- That classification is unaffected by the likelihood that an entity will exercise its deferral right,
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

The amendments are not expected to have a material impact on the Company's financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.