

عمان في ٢٠١٧/٥/٩  
رقم : ٢٠١٧/٢٠

السادة بورصة عمان المحترمين

الموضوع : البيانات المالية للربع الاول ٢٠١٧ باللغة الانجليزية

تحية واحترام ،،،

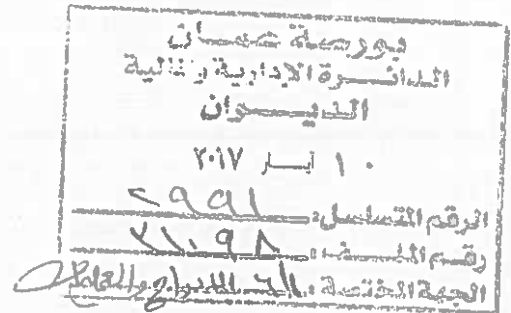
أرفق طيه نسخة أصلية عن القوائم المالية الموحدة كما في ٣١ آذار ٢٠١٧ باللغة الانجليزية راجياً إيداعها لديكم.

وتفضلوا بقبول فائق الاحترام

المدير العام  
م. اسامة مدانات

الشركة الدولية  
للصناديق والأسواق التجارية  
عمان - الأردن

- نسخة هيئة الأوراق المالية
- نسخة مركز ايداع الأوراق المالية



**AL DAWLIYAH FOR HOTELS AND MALLS COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**

**31 MARCH 2017**

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

**Introduction**

We have reviewed the accompanying interim condensed financial statements of Al Dawliyah for Hotels and Malls Public Shareholding Company (the Company) as at 31 March 2017, comprising of the interim statement of financial position as at 31 March 2017 and the related interim statement of profit and loss, interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the three months period then ended and explanatory notes. Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of Interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

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

Amman – Jordan  
25 April 2017



**AL DAWLIYAH FOR HOTELS AND MALLS COMPANY**  
**INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2017 (NOT AUDITED)**

|   | Notes | 31 March<br>2017<br>JD<br>(Unaudited) | 31 December<br>2016<br>JD<br>(Audited) |
|---|-------|---------------------------------------|--|
| <b>ASSETS</b>   |       |                                       |  |
| <b>Non-current assets -</b>                                       |       |                                       |  |
| Property and equipment  | 5     | 55,795,460                            | 52,609,322                             |
| Project in progress   |       | -                                     | 3,112,825                              |
| Investments in properties   |       | 1,523,038                             | 1,523,038                              |
| Investment in associate   |       | 74,280                                | 74,280                                 |
| Financial assets at fair value through other comprehensive income |       | 2,131,809                             | 2,078,761                              |
| Financial assets at amortized cost                                | 6     | 500,000                               | -                                      |
|   |       | <u>60,024,587</u>                     | <u>59,398,226</u>                      |
| <b>Current assets -</b>   |       |                                       |  |
| Inventories   |       | 501,359                               | 465,563                                |
| Accounts receivable   |       | 708,801                               | 6,472,517                              |
| Other current assets  |       | 493,348                               | 362,531                                |
| Cheques under collection  |       | 14,492                                | 21,771                                 |
| Cash and deposits at banks  |       | 4,843,542                             | 634,355                                |
|   |       | <u>6,561,542</u>                      | <u>7,956,737</u>                       |
| <b>Total Assets</b>   |       | <u>66,586,129</u>                     | <u>67,354,963</u>                      |
| <b>EQUITY AND LIABILITIES</b>                                     |       |                                       |  |
| <b>Equity -</b>   |       |                                       |  |
| Paid-in capital   |       | 43,200,000                            | 43,200,000                             |
| Statutory reserve   |       | 10,800,000                            | 10,800,000                             |
| Fair value reserve  |       | (295,144)                             | (347,951)                              |
| Retained earnings   |       | 5,819,869                             | 5,775,755                              |
| <b>Total Equity</b>   |       | <u>59,524,725</u>                     | <u>59,427,804</u>                      |
| <b>LIABILITIES</b>  |       |                                       |  |
| <b>Non-current liabilities -</b>                                  |       |                                       |  |
| Long-term loans   |       | <u>2,748,927</u>                      | <u>2,748,927</u>                       |
| <b>Current liabilities -</b>                                      |       |                                       |  |
| Due to banks  |       | -                                     | 28,621                                 |
| Current portion of long-term loans                                |       | 1,544,944                             | 2,396,944                              |
| Accounts payable  |       | 976,628                               | 1,048,191                              |
| Other current liabilities   |       | 1,420,429                             | 1,248,986                              |
| Income tax provision  | 4     | 370,476                               | 455,490                                |
|   |       | <u>4,312,477</u>                      | <u>5,178,232</u>                       |
| <b>Total Liabilities</b>  |       | <u>7,061,404</u>                      | <u>7,927,159</u>                       |
| <b>Total Equity and Liabilities</b>                               |       | <u>66,586,129</u>                     | <u>67,354,963</u>                      |

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

**AL DAWLIYAH FOR HOTELS AND MALLS COMPANY**  
**INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (UNAUDITED)**

|  | For the three months ended 31 |                |
|--|-------------------------------|----------------|
|  | March                         |                |
|  | 2017                          | 2016           |
|  | JD                            | JD             |
| Operating revenues from Amman Sheraton Hotel | 2,479,609                     | 3,123,381      |
| Operating expenses from Amman Sheraton Hotel | (1,912,456)                   | (2,106,604)    |
| Depreciation on property and equipment       | (407,942)                     | (391,768)      |
| <b>Net operating revenues from the hotel</b> | <b>159,211</b>                | <b>625,009</b> |
| Depreciation on property and equipment       | (4,440)                       | (3,368)        |
| Administrative expenses                      | (204,366)                     | (230,568)      |
| Finance costs                                | (22,686)                      | (27,502)       |
| Dividends income                             | 102,591                       | 96,714         |
| Other income                                 | 24,833                        | 17,962         |
| <b>Profit before income tax</b>              | <b>55,143</b>                 | <b>478,247</b> |
| Income tax expense                           | (11,029)                      | (95,650)       |
| <b>Profit for the period</b>                 | <b>44,114</b>                 | <b>382,597</b> |
|  | JD / Fils                     | JD / Fils      |
| <b>Basic and diluted earnings per share</b>  | <b>0/001</b>                  | <b>0/009</b>   |

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

**AL DAWLIYAH FOR HOTELS AND MALLS COMPANY**  
**INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (UNAUDITED)**

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|  | For the three months ended |                |
|--|----------------------------|----------------|
|  | 31 March                   |                |
|  | 2017                       | 2016           |
|  | JD                         | JD             |
| Profit for the period  | 44,114                     | 382,597        |
| <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                    | 52,807                     | (47,610)       |
| <b>Total comprehensive income for the period</b>   | <b>96,921</b>              | <b>334,987</b> |

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

**AL DAWLIYAH FOR HOTELS AND MALLS COMPANY**  
**INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (UNAUDITED)**

|   | Paid-in<br>capital | Statutory<br>reserve | Fair value<br>reserve | Retained<br>earnings* | Total             |
|---|--------------------|----------------------|-----------------------|-----------------------|-------------------|
|   | JD                 | JD                   | JD                    | JD                    | JD                |
| <b>2017 -</b>                             |                    |                      |                       |                       |                   |
| <b>Balance at 1 January 2017</b>          | 43,200,000         | 10,800,000           | (347,951)             | 5,775,755             | 59,427,804        |
| Total comprehensive income for the period | -                  | -                    | 52,807                | 44,114                | 96,921            |
| <b>Balance at 31 March 2017</b>           | <u>43,200,000</u>  | <u>10,800,000</u>    | <u>(295,144)</u>      | <u>5,819,869</u>      | <u>59,524,725</u> |
| <b>2016 -</b>                             |                    |                      |                       |                       |                   |
| <b>Balance at 1 January 2016</b>          | 43,200,000         | 10,800,000           | (282,460)             | 2,615,567             | 56,333,107        |
| Total comprehensive income for the period | -                  | -                    | (47,610)              | 382,597               | 334,987           |
| Dividends paid                            | -                  | -                    | -                     | (2,160,000)           | (2,160,000)       |
| <b>Balance at 31 March 2016</b>           | <u>43,200,000</u>  | <u>10,800,000</u>    | <u>(330,070)</u>      | <u>838,164</u>        | <u>54,508,094</u> |

\* It is restricted to use an amount of JD 295,144 from retained earnings which represents the negative balance of the fair value reserve.

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

**AL DAWLIYAH FOR HOTELS AND MALLS COMPANY**  
**INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017 (UNAUDITED)**

|   | For the three months ended 31 |                  |
|---|-------------------------------|------------------|
|   | March                         |                  |
| Note  | 2017                          | 2016             |
|   | JD                            | JD               |
| <b><u>OPERATING ACTIVITIES</u></b>  |                               |                  |
| Profit before income tax  | 55,143                        | 478,247          |
| <b>Adjustments for:</b>   |                               |                  |
| Depreciation  | 412,382                       | 395,136          |
| Finance costs   | 22,686                        | 27,502           |
| Interest income   | (10,494)                      | (12,578)         |
| Dividends income  | (102,591)                     | (96,714)         |
| <b>Changes in working capital:</b>  |                               |                  |
| Accounts receivable and cheques under collection                              | (229,005)                     | (206,197)        |
| Inventories   | (35,796)                      | 661              |
| Other current assets  | (130,817)                     | (409,519)        |
| Accounts payable  | (71,563)                      | 146,158          |
| Other current liabilities   | 171,443                       | 36,265           |
| Income tax paid   | (96,043)                      | (129,278)        |
| <b>Net cash flows (used in) from operating activities</b>                     | <b>(14,655)</b>               | <b>229,683</b>   |
| <b><u>INVESTING ACTIVITIES</u></b>  |                               |                  |
| Purchase of property and equipment  | (485,695)                     | (556,934)        |
| Purchase of Financial assets at fair value through other comprehensive income | (241)                         | -                |
| Purchase of financial assets at amortized cost                                | (500,000)                     | -                |
| Accounts receivable   | 6,000,000                     | -                |
| Interest income received  | 10,494                        | 12,578           |
| Dividends income received   | 102,591                       | 96,714           |
| <b>Net cash flows from (used in) used in investing activities</b>             | <b>5,127,149</b>              | <b>(447,642)</b> |
| <b><u>FINANCING ACTIVITIES</u></b>  |                               |                  |
| (Repayments of) received from loans   | (852,000)                     | 102,396          |
| Finance costs paid  | (22,686)                      | (27,502)         |
| <b>Net cash flows (used in) from financing activities</b>                     | <b>(874,686)</b>              | <b>74,894</b>    |
| <b>Net increase (decrease) in cash and cash equivalents</b>                   | <b>4,237,808</b>              | <b>(143,065)</b> |
| Cash and cash equivalents at the beginning of the period                      | 605,734                       | 2,115,462        |
| <b>Cash and cash equivalents end of the period</b>                            | <b>8 4,843,542</b>            | <b>1,972,397</b> |

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



**(1) GENERAL**

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

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

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

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

**(2) BASIS OF PREPARATION**

The interim condensed financial statements for the three months period ended 31 March 2017 have been prepared in accordance with International Accounting Standard 34 (Interim Financial Reporting).

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

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

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

**(3) CHANGES IN ACCOUNTING POLICIES**

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

**Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative**

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

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

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

**(4) INCOME TAX**

The income tax for the period ended 31 March 2017 and 31 March 2016 has been calculated in accordance with the Income Tax Law No. (34) of 2014. The Company reached a final settlement with the Income Tax Department up to the year 2014.

**(5) PROPERTY AND EQUIPMENT**

During the three months period ended 31 March 2017, The Company purchased property and equipment at the cost of JD 485,695 (31 March 2016: JD 556,934).

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

During January 2017, the Company has purchased 500 bond from the bonds issued by Arab International Hotels Company (sister company) with total value of JD 500,000 and interest rate of 5.5% due each six months on 29 July and 29 January from each year. The bonds mature on 29 January 2022.

**AL DAWLIYAH FOR HOTELS AND MALLS COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2017 (UNAUDITED)**

**(7) TRANSACTION WITH RELATED PARTIES**

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

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

|  | 31 March<br>2017 | 31 March<br>2016 |
|--|------------------|------------------|
|  | JD               | JD               |
|  | (Unaudited)      | (Audited)        |
| Loan from Jordan Ahli Bank   | 4,293,871        | 5,145,871        |
| Deposits at Jordan Ahli Bank   | 4,010,494        | 286,543          |
| Current account at Jordan Ahli Bank                                    | 812,158          | 310,738          |
| Overdraft account at Jordan Ahli Bank                                  | -                | 28,621           |
| Financial assets at amortized cost - Arab International Hotels Company | 500,000          | -                |

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

|   | 31 March<br>2017 | 31 March<br>2016 |
|---|------------------|------------------|
|   | JD               | JD               |
|   | (Unaudited)      | (Unaudited)      |
| Salaries and other benefits   | 48,750           | 76,500           |
| Transportation allowances and Board of Directors benefits                                 | 22,200           | 17,100           |
| Chairman representation allowance   | 50,000           | 50,000           |
| Interest income on deposits - Jordan Ahli Bank  | 15,548           | 12,578           |
| Interest income on Financial assets at amortized cost - Arab International Hotels Company | 4,761            | -                |
| Finance cost - Jordan Ahli Bank   | 22,686           | 22,507           |

**8) CASH AND CASH EQUIVALENTS**

|                            | 31 March<br>2017 | 31 March<br>2016 |
|----------------------------|------------------|------------------|
|                            | JD               | JD               |
|                            | (Unaudited)      | (Unaudited)      |
| Cash on hands and at banks | 833,048          | 2,065,230        |
| Bank deposits*             | 4,010,494        | -                |
| Due to banks               | -                | (92,833)         |
|                            | <u>4,843,542</u> | <u>1,972,397</u> |

\* This represents a deposit at Jordan Ahli Bank; its interest matures on monthly basis at a rate of 3.6% per annum.

**(9) LEGAL RESERVES**

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

**(10) Dividends**

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

**(11) SEGMENT INFORMATION**

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

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

|   | <u>Hotel sector</u> | <u>Investment in<br/>financial assets</u> | <u>Total</u> |
|---|---------------------|---|--------------|
| For the period ended 31 March 2017 -    | JD                  | JD  | JD           |
| Revenues                                | 2,479,609           | 102,591                                   | 2,582,200    |
| <b>Business results -</b>               |                     |   |              |
| (Loss) income before income tax         | (47,448)            | 102,591                                   | 55,143       |
| (Loss) income tax                       | -                   | (11,029)                                  | (11,029)     |
| Net (loss) profit for the period        | (47,448)            | 91,562                                    | 44,114       |
| <b><u>Other Segment information</u></b> |                     |   |              |
| Capital expenditure                     | 485,695             | -   | 485,695      |
| Depreciation                            | 412,382             | -   | 412,382      |

**AL DAWLIYAH FOR HOTELS AND MALLS COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2017 (UNAUDITED)**

|   | <u>Hotel sector</u> | <u>Investment in<br/>financial assets</u> | <u>Total</u> |
|---|---------------------|---|--------------|
|   | JD                  | JD  | JD           |
| <b>For the period ended 31 March 2016 -</b> |                     |   |              |
| Revenues                                    | 3,123,381           | 96,714                                    | 3,220,095    |
| <b>Business results -</b>                   |                     |   |              |
| Income before income tax                    | 381,533             | 96,714                                    | 478,247      |
| Income tax                                  | (76,307)            | (19,343)                                  | (95,650)     |
| Net profit for the period                   | 305,226             | 77,371                                    | 382,597      |
| <b><u>Other Segment information</u></b>     |                     |   |              |
| Capital expenditure                         | 556,934             | -   | 556,934      |
| Depreciation                                | 395,136             | -   | 395,136      |

|                                      | <u>Hotel sector</u> | <u>Investment<br/>in associates</u> | <u>Investment in<br/>financial assets</u> | <u>Total</u> |
|--------------------------------------|---------------------|-------------------------------------|---|--------------|
|                                      | JD                  | JD                                  | JD  | JD           |
| <b><u>Assets and liabilities</u></b> |                     |                                     |   |              |
| <b>As at 31 March 2017</b>           | 62,357,002          | 1,523,038                           | 2,706,089                                 | 66,586,129   |
| Assets for the sector                | 7,061,404           | -                                   | -   | 7,061,404    |
| Liabilities for the sector           |                     |                                     |   |              |
| <b>As at 31 December 2016</b>        |                     |                                     |   |              |
| Assets for the sector                | 63,678,884          | 1,523,038                           | 2,153,041                                 | 67,354,963   |
| Liabilities for the sector           | 5,178,232           | -                                   | -   | 5,178,232    |

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