

JORDAN HOTELS AND TOURISM COMPANY

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

30 SEPTEMBER 2022

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF
JORDAN HOTELS AND TOURISM PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the interim condensed financial statements of Jordan Hotels and Tourism Public Shareholding Company (the “Company”) as at 30 September 2022, comprising of the interim condensed statement of financial position as at 30 September 2022 and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the nine-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard IAS 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 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
31 October 2022

ERNST & YOUNG
Amman - Jordan

JORDAN HOTELS AND TOURISM PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Notes	30 September 2022 JD (Unaudited)	31 December 2021 JD (Audited)
<u>ASSETS</u>			
Non-current assets -			
Land		751,011	751,011
Property and equipment	3	22,749,613	23,323,179
Projects in progress	4	3,770	151,027
Financial assets at fair value through other comprehensive income		2,400	1,400
Deferred tax assets	5	1,218,467	1,142,826
Right-of-use assets – lease contract	6	1,957,442	2,085,965
		<u>26,682,703</u>	<u>27,455,408</u>
Current assets -			
Inventories		106,871	68,828
Accounts receivable		431,986	389,490
Other current assets	7	369,831	180,717
Cash on hand and at banks	8	5,681,832	3,828,888
		<u>6,590,520</u>	<u>4,467,923</u>
TOTAL ASSETS		<u><u>33,273,223</u></u>	<u><u>31,923,331</u></u>
<u>EQUITY AND LIABILITIES</u>			
Equity -			
Paid-in capital		10,000,000	10,000,000
Share premium		505,173	505,173
Statutory reserve	9	2,569,247	2,569,247
Voluntary reserve	9	3,800,824	3,800,824
Fair value reserve		(30,000)	(30,000)
Retained earnings		6,978,441	7,424,733
Total Equity		<u>23,823,685</u>	<u>24,269,977</u>
Liabilities -			
Non-current liabilities -			
Long-term loans	10	2,254,770	1,156,530
Deferred tax liabilities	5	41,945	83,580
Long-term lease obligations	6	1,580,000	1,686,954
Other current liabilities	12	1,696,847	1,462,286
		<u>5,573,562</u>	<u>4,389,350</u>
Current liabilities -			
Current portion of long-term loans	10	127,262	162,592
Accounts payable		1,517,472	1,277,514
Due to related parties	11	123,683	76,999
Other current liabilities	12	1,757,529	1,346,665
Short-term lease obligations	6	350,030	400,234
		<u>3,875,976</u>	<u>3,264,004</u>
Total Liabilities		<u>9,449,538</u>	<u>7,653,354</u>
TOTAL EQUITY AND LIABILITIES		<u><u>33,273,223</u></u>	<u><u>31,923,331</u></u>

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

JORDAN HOTELS AND TOURISM PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2022	2021	2022	2021
		JD	JD	JD	JD
Operating revenues		4,223,893	2,656,120	10,134,923	4,746,439
Operating expenses		(3,221,455)	(2,174,637)	(8,503,023)	(4,844,373)
Net operating revenues (losses)	13	1,002,438	481,483	1,631,900	(97,934)
Rental income		22,652	9,696	63,207	36,380
Interest income		20,585	5,256	30,301	16,181
Other income		621	-	12,631	3,050
Depreciation of property and equipment		(447,496)	(441,055)	(1,320,504)	(1,302,258)
Depreciation of right-of-use asset		(42,841)	(42,841)	(128,523)	(103,799)
Finance costs		(14,381)	(6,283)	(39,376)	(8,994)
Finance costs on lease obligations		(45,161)	(48,686)	(137,529)	(102,936)
Gain on sale of property and equipment		6,034	-	11,379	14,057
Administrative expenses		(168,379)	(111,493)	(633,504)	(434,856)
Board of Directors' transportations and remunerations		(23,850)	(14,850)	(53,550)	(44,550)
Profit (Loss) for the period before income tax		310,222	(168,773)	(563,568)	(2,025,659)
Income tax benefit (expense)	5	(65,361)	34,118	117,276	417,813
Profit (Loss) for the period		244,861	(134,655)	(446,292)	(1,607,846)
Add: Other comprehensive income items		-	-	-	-
Total comprehensive income for the period		244,861	(134,655)	(446,292)	(1,607,846)
		JD / Fils	JD / Fils	JD / Fils	JD / Fils
Basic and diluted profit (loss) per share for the period		0/024	(0/013)	(0/045)	(0/161)

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

JORDAN HOTELS AND TOURISM PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)

	Paid-in capital	Share premium	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings	Total
	JD	JD	JD	JD	JD	JD	JD
2022-							
Balance on 1 January	10,000,000	505,173	2,569,247	3,800,824	(30,000)	7,424,733	24,269,977
Total comprehensive income for the period	-	-	-	-	-	(446,292)	(446,292)
Balance at 30 September	<u>10,000,000</u>	<u>505,173</u>	<u>2,569,247</u>	<u>3,800,824</u>	<u>(30,000)</u>	<u>6,978,441</u>	<u>23,823,685</u>
2021-							
Balance on 1 January	10,000,000	505,173	2,569,247	3,800,824	(30,000)	9,230,889	26,076,133
Total comprehensive income for the period	-	-	-	-	-	(1,607,846)	(1,607,846)
Balance at 30 September	<u>10,000,000</u>	<u>505,173</u>	<u>2,569,247</u>	<u>3,800,824</u>	<u>(30,000)</u>	<u>7,623,043</u>	<u>24,468,287</u>

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

JORDAN HOTELS AND TOURISM PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)

		For the nine months ended 30 September	
	Notes	2022	2021
		JD	JD
<u>Operating Activities</u>			
Loss for the period before income tax		(563,568)	(2,025,659)
Adjustments:			
Depreciation of property and equipment		1,320,504	1,302,258
Depreciation of right-of-use assets		128,523	103,799
Finance costs		39,376	8,994
Finance costs on lease obligations		137,529	102,936
Interest income		(30,301)	(16,181)
Provision for expected credit losses, net		(710)	19,190
Gain on sale of property and equipment	3	(11,379)	(14,057)
Changes in working capital:			
Inventories		(38,043)	(2,811)
Accounts receivable		(41,786)	(133,773)
Other current assets		(189,114)	(80,008)
Accounts payable		239,958	387,431
Related parties		46,684	114,516
Other current liabilities		505,933	236,481
Net cash flows from operating activities		<u>1,543,606</u>	<u>3,116</u>
<u>Investing Activities</u>			
Purchase of property and equipment	3	(287,077)	(52,526)
Proceeds from sale of property and equipment		11,379	14,057
Projects in progress	4	(312,605)	(283,363)
Purchase of financial assets at fair value		(1,000)	(1,300)
Interest received		30,301	16,181
Net cash flows used in investing activities		<u>(559,002)</u>	<u>(306,951)</u>
<u>Financing Activities</u>			
Dividends paid		(148,297)	(27,082)
Proceeds from loans		1,062,910	1,404,404
Finance costs paid		(39,376)	(8,994)
Other current liabilities		234,561	876,849
Payment of lease liabilities		(241,458)	(188,229)
Net cash flows from financing activities		<u>868,340</u>	<u>2,056,948</u>
Net increase in cash and cash equivalents		1,852,944	1,753,113
Cash and cash equivalents at the beginning of the period		3,828,888	1,785,782
Cash and cash equivalents at the end of the period	8	<u>5,681,832</u>	<u>3,538,895</u>

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

(1) GENERAL

Jordan Hotels and Tourism Company (the "Company") was registered in 1955 as a public shareholding company located in Amman - Jordan. The Company increased its capital throughout the previous years to reach JD 10,000,000 divided into 10,000,000 shares at a par value of JD 1 per share. The Company's main objectives are to invest in real estate and tourism activities in specific.

The Company owns Intercontinental Hotel Jordan (the "Hotel") which is operated and managed by Intercontinental Hotel Corporation ("IHC") in accordance with the Operating and Management Agreement (the "Agreement") that commenced in the year 1972 and was replaced by another agreement that became effective on 1 January 2008 and was valid until 31 December 2017. The Board of Directors approved the novation, extension, and amendment of the Agreement with IHC effective 1 January 2018 for a period of five years.

The interim condensed financial statements were authorized for issue by the Board of Directors in its meeting held on 31 October 2022.

(2) BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION

The interim condensed financial statements for the nine-month period ended 30 September 2022 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income, which have been measured at fair value as of the date of the interim condensed financial statements.

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

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company's annual financial statements as of 31 December 2021. In addition, the results for the nine-month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

(2-2) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2021 except for the adoption of new amendments on the standards effective as of 1 January 2022 shown below:

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

These amendments had no material impact on the interim condensed financial statements of the Company.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no material impact on the interim condensed financial statements of the Company.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no material impact on the interim condensed financial statements of the Company.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendments is not applicable to the Company.

IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

These amendments had no material impact on the interim condensed financial statements of the Company.

(3) PROPERTY AND EQUIPMENT

During the nine-month period ended 30 September 2022, the Company purchased property and equipment in the amount of JD 287,077 (30 September 2021: JD 52,526). The Company recognized gain on sale of property and equipment in the amount of JD 11,379 during the nine-month period ended 30 September 2022 (30 September 2021: JD 14,057).

(4) PROJECTS IN PROGRESS

Additions to projects in progress amounted to JD 312,605 during the nine-month period ended 30 September 2022 (30 September 2021: JD 283,363). Projects which were completed and transferred to property and equipment amounted to JD 459,862 for the nine-month period ended 30 September 2022 (30 September 2021: JD 267,006).

The estimated cost to complete the projects in progress is JD 71,050 as of 30 September 2022 (30 September 2021: JD 343,077). Management expects to complete these projects during the last quarter of the year 2022.

(5) INCOME TAX

No income tax was calculated for the Company for the period ended 30 September 2022 and 2021 due to the excess of deductible expenses over taxable revenues in accordance with Income Tax Law No. (34) of 2014 and its amendments.

Income tax –

The income tax benefit appearing in the interim condensed statement of comprehensive income represents the following:

	For the nine months ended 30 September	
	2022	2021
	JD	JD
Deferred tax asset	(75,641)	(426,073)
Deferred tax liabilities	(41,635)	8,260
	<u>(117,276)</u>	<u>(417,813)</u>

The Company has submitted its income tax returns to the Income and Sales Tax Department up to the year 2021. The Income and Sales Tax Department did not review the Company's accounting records for the years 2019, 2020 and 2021 up to the date of these interim condensed financial statements.

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The Company obtained a final clearance from the Income and Sales Tax Department up to the year 2017 and the tax return for the year 2018 was accepted as part of sampling system.

Deferred tax assets -

Deferred tax assets represent the estimated tax effect of accumulated tax losses carried forward pertaining to the Company, which are expected to result in future tax benefits.

Movements on deferred tax assets were as follows:

	30 September 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Beginning balance for the period/ year	1,142,826	724,837
Tax effect of accumulated tax losses carried forward	75,641	417,989
Ending balance for the period/ year	<u>1,218,467</u>	<u>1,142,826</u>

Deferred tax liabilities -

This item represents deferred tax liability resulting from depreciation differences related to machinery and equipment and computer hardware and software, which are depreciated for financial reporting purposes at rates lower than those used in the computation of the provision for income tax.

Movements on deferred tax liabilities during the year were as follows:

	30 September 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Beginning balance for the period/ year	83,580	72,923
Depreciation differences, net	(41,635)	10,657
Ending balance for the period/ year	<u>41,945</u>	<u>83,580</u>

JORDAN HOTELS AND TOURISM PUBLIC SHAREHOLDING COMPANY
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(6) RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS

The schedule below illustrates the Company's right-of-use asset and lease obligations and the movements during the periods ended 30 September 2022 and 31 December 2021:

	Right -of- use assets			Lease obligations *
	Land	Photovoltaic system	Total	
	JD	JD	JD	
2022-				
At 1 January	651,994	1,433,971	2,085,965	2,087,188
Depreciation	(72,894)	(55,629)	(128,523)	-
Finance costs	-	-	-	137,529
Payments	-	-	-	(241,458)
Transferred to accounts payable	-	-	-	(53,229)
At 30 September	<u>579,100</u>	<u>1,378,342</u>	<u>1,957,442</u>	<u>1,930,030</u>
2021-				
At 1 January	749,185	-	749,185	730,882
Additions	-	1,483,419	1,483,419	1,483,419
Depreciation	(97,191)	(49,448)	(146,639)	-
Finance costs	-	-	-	149,831
Payments	-	-	-	(241,458)
Transferred to accounts payable	-	-	-	(35,486)
At 31 December	<u>651,994</u>	<u>1,433,971</u>	<u>2,085,965</u>	<u>2,087,188</u>

* Lease obligation details are as follows:

30 September 2022 (Unaudited)			31 December 2021 (Audited)		
Short-term	Long- term	Total	Short-term	Long- term	Total
JD	JD	JD	JD	JD	JD
<u>350,030</u>	<u>1,580,000</u>	<u>1,930,030</u>	<u>400,234</u>	<u>1,686,954</u>	<u>2,087,188</u>

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(7) OTHER CURRENT ASSETS

	30 September 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Advance payments to suppliers	199,989	85,484
Prepaid expenses	83,982	31,649
Refundable deposits	20,662	20,662
Work related injuries claims	16,250	18,800
Income tax deposits	13,402	9,316
Checks under collection	11,723	1,973
Others	23,823	12,833
	<u>369,831</u>	<u>180,717</u>

(8) CASH ON HAND AND AT BANKS

	30 September 2022	31 December 2021
	JD (Unaudited)	JD (Audited)
Cash on hand	7,500	9,100
Cash at banks	2,185,307	3,015,523
Term deposit maturing within 3 months *	3,489,025	804,265
	<u>5,681,832</u>	<u>3,828,888</u>

* Term deposits are fixed for 1 day to 3 months and earn an annual interest rate ranging from 0.875% to 4% per annum (2021: from 1.5% to 3% per annum).

(9) LEGAL RESERVES

The Company has made no transfers to statutory and voluntary reserves as per the Companies Law as these financial statements are interim condensed financial statements.

JORDAN HOTELS AND TOURISM PUBLIC SHAREHOLDING COMPANY
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30 SEPTEMBER 2022 (UNAUDITED)

(10) LOANS

This item consists of loans granted from the following parties:

		30 September 2022 (Unaudited)			31 December 2021 (Audited)		
	Currency	Short-term	Long-term	Total	Short-term	Long-term	Total
		JD	JD	JD	JD	JD	JD
Bank al Etihad	JD	133,333	655,527	788,860	-	425,188	425,188
Cairo Amman Bank	JD	-	2,000,000	2,000,000	166,664	833,336	1,000,000
		133,333	2,655,527	2,788,860	166,664	1,258,524	1,425,188
Less:							
Unearned governmental grants		(6,071)	(400,757)	(406,828)	(4,072)	(101,994)	(106,066)
		127,262	2,254,770	2,382,032	162,592	1,156,530	1,319,122

Bank al Etihad

On 2 March 2021, the Company signed a loan agreement in the amount of JD 2,000,000 backed by the Central Bank of Jordan to reinforce the tourism sector. The loan was granted to finance renovation projects of the Hotel facilities. The loan term is 9 years including a 24-month grace period and principal is paid in 15 semi-annual instalments (excluding interest) of JD 133,333, commencing on 30 April 2023 except for the last instalment which represents the remaining balance of the loan due on 30 April 2030 with an annual interest rate of 3.5%

Withdrawals from the loan are made in the form of payments upon submission of the borrower's invoices and claims that are certified by the consulting engineer that reflect the progress in the project.

Cairo Amman Bank

On 8 June 2020, the Company signed a loan agreement in the amount of JD 1,000,000 backed by the Central Bank of Jordan to reinforce the tourism sector. On 27 July 2021, the loan ceiling was increased by JD 1,000,000 to become JD 2,000,000. The loan was granted to finance the operating expenses of the Hotel. The loan term is 10 years including a 24-month grace period. On 18 April 2022, the grace period changed to 48-months and principal is paid in 72 equal monthly instalments (excluding interest) of JD 27,777 each, commencing on 30 April 2024 and ending on 30 April 2030 at an annual interest rate of 3% to mitigate the repercussions of the COVID-19 pandemic.

Withdrawals are against the borrower presenting invoices representing the operating expenses of the Hotel.

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The unutilized portion of the loans equal to JD 1,211,140 as at 30 September 2022 (2021: JD 2,574,812)

The amounts of annual payments of the loan and their maturities are as follows:

Year	JD
1 October 2022 – 30 September 2023	133,333
1 October 2023 – 30 September 2024	405,551
1 October 2024 – 30 September 2025	599,990
1 October 2025 – 30 September 2026	455,519
1 October 2026 and thereafter	1,194,467
Total	2,788,860

(11) RELATED PARTIES

Related parties represent major shareholders, key management personnel of the Company, the Board of Directors, and other related parties. The Company's management approves the pricing and the terms of transactions with the related parties.

Balances with related parties included in the interim condensed statement of financial position are as follows:

	Nature of the relationship	30 September 2022 JD (Unaudited)	31 December 2021 JD (Audited)
Assets -			
Financial assets at fair value through other comprehensive income -			
Himmeh Solar Power	(Sister Company)	2,400	1,400
Other current assets -			
Jordan Hotels Supplies	(Sister Company)	106,095	-
Cash on hand and at banks -			
Bank Al Etihad, Arab Bank and Cairo Amman Bank	(Shareholders)	5,674,332	3,819,788

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	Nature of the relationship	30 September 2022	31 December 2021
		JD	JD
		(Unaudited)	(Audited)
Liabilities –			
Cash on hand and at banks -			
Bank Al Etihad and Cairo Amman Bank	(Shareholders)	2,382,032	1,319,122
Due to a related party -			
Zara Investment (Holding) Company	(Main shareholder)	99,802	72,567
Himmeh Solar Power Company	(Sister Company)	23,881	4,432
		123,683	76,999

Transactions with related parties included in the interim condensed statement of comprehensive income are as follows:

	Nature of the relationship	For the nine months ended 30 September	
		2022	2021
		JD	JD
Administrative expenses – Zara Investment (Holding) Company	(Main shareholder)	75,000	75,000
Rent expenses – Zara Investment (Holding) Company	(Main shareholder)	20,093	20,093
Finance costs - Arab Bank and Cairo Amman Bank	(Shareholders)	39,376	8,994
Rent income – Arab Bank	(Shareholder)	4,125	4,125
Interest income – Bank Al Etihad and Arab Bank	(Shareholders)	30,301	16,181

Summary of key management salaries, remunerations and other benefits is as follows:

	For the nine months ended 30 September	
	2022	2021
	JD	JD
Key management salaries and remunerations	50,655	38,968
Board of Directors' transportations and remunerations	53,550	44,550

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(12) OTHER CURRENT LIABILITIES

	30 September 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Accrued expenses – Social Security loan	1,295,748	1,146,328
Accrued expenses	670,558	296,226
Unearned government grant revenues *	623,183	311,579
Advances from customers	400,022	402,731
Service charge fees (5%) – Jordan Tourism Board	135,391	115,719
Undistributed dividends	90,849	239,145
Outstanding checks	39,531	39,531
Unearned rent revenue	23,569	917
Sales tax deposits	21,411	36,083
Board of Directors' remuneration	14,850	10,800
Retentions and payments due to contractors	12,995	24,694
Legal claims	7,509	100,000
Social security deposits **	-	8,451
Others	118,760	76,747
Total	3,454,376	2,808,951
Non-current portion	1,696,847	1,462,286
Current portion	1,757,529	1,346,665
Total	3,454,376	2,808,951

* This item represents the discounted balances of the deposits of the Social Security Corporation and the loan facilities backed by the Central Bank of Jordan to reinforce the tourism sector that was impacted by the COVID-19 pandemic as at 30 September 2022 for an amount of JD 216,355 and JD 406,828, respectively (2021: JD 205,513 and JD 106,066, respectively). These facilities were granted with below-market interest rates. This balance of this discount will be amortized over the life of the granted facilities.

** This item represents deposits from the Social Security Corporation to benefit from Hemaya, Istdameh and Ta'afi which were implemented by the Company following the mandate of Defense Order no. (14) and (24).

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(13) SEGMENT INFORMATION

	Intercontinental Hotel Jordan*	Dar Stores (Retail)	Total
	JD	JD	JD
30 September 2022 -			
Operating revenue	9,930,932	203,991	10,134,923
Operating expenses	(8,347,473)	(155,550)	(8,503,023)
Net operating revenues	<u>1,583,459</u>	<u>48,441</u>	<u>1,631,900</u>
Other information-			
Depreciation of property and equipment	1,294,239	26,265	1,320,504
Administrative expenses	590,826	42,681	633,507
30 September 2021 -			
Operating revenues	4,706,818	39,621	4,746,439
Operating expenses	(4,813,945)	(30,428)	(4,844,373)
Net operating (losses) revenues	<u>(107,127)</u>	<u>9,193</u>	<u>(97,934)</u>
Other information-			
Depreciation of property and equipment	1,299,721	2,537	1,302,258
Administrative expenses	421,075	13,781	434,856

* The Hotel's net operating revenue are as per the following:

	For the nine months ended 30 September	
	2022	2021
	JD	JD
Operating Revenue -		
Rooms revenue	4,810,010	2,164,010
Food and beverage revenue	4,566,252	2,278,932
Other departments revenue	554,670	263,876
	<u>9,930,932</u>	<u>4,706,818</u>
Operating Expenses -		
Rooms expenses	1,055,568	580,051
Food and beverage expenses	3,189,999	1,762,341
Other departments expenses	414,024	220,721
Administration and marketing expenses	3,687,882	2,250,832
	<u>8,347,473</u>	<u>4,813,945</u>
Net operating revenues (losses)	<u>1,583,459</u>	<u>(107,127)</u>

(14) LITIGATIONS

The Company is a defendant in a number of lawsuits in the amount of JD 52,199 as of 30 September 2022 (2021: JD 199,363). The Company and its legal advisor believe that the Company's position is strong against these lawsuits and there is no need for any provision except for what has been recorded. The Company is plaintiff in lawsuits against others in the amount of JD 159,763 as of 30 September 2022 (2021: JD 159,763).

(15) THE OUTBREAK OF CORONAVIRUS (COVID-19) AND ITS IMPACT ON THE COMPANY

The outbreak of coronavirus has had an impact on the global economy and caused disruption in global markets together with travel restrictions which has adversely impacted the tourism and hospitality sector as a result of cancellations of conferences and hotel reservations. However, during 2022, due to the Government's adoption of a set of measures to ease restrictions on the economic sectors, especially the tourism sector, it allowed the return of economic sectors to work, which led to a significant improvement in results, but the performance of the hotel is still modest compared to the level it achieved before the Corona pandemic.

The Jordanian Prime Minister issued the following defense orders which have directly or indirectly affected the operations and performance of the Hotels owned by the Company:

1. Defense Order No. (14) on 14 June 2020 under Defense Law No. 13 for the year 1992, to introduce Hemayeh and Tamkeen programs (1) and Tamkeen (2) to protect the national economy and help it withstand its burdens, especially with regard to the sectors and economic activities most adversely affected and to support the recovery phase.
2. Defense Order No. (24) on 13 December 2020 under Defense Law No. 13 for the year 1992, to introduce Istidameh program in order to preserve job opportunities in the private sector through a collaboration between the Government of Jordan and the Social Security Corporation.

Other decisions were also issued by various Government agencies to assist in the continuity of various sectors of the Jordanian economy by reducing the financial burden to these sectors. Examples include the following:

1. The Central Bank of Jordan's resolution to compel all operating Jordanian banks to postpone loan installments payable by companies and individuals without imposing any penalties or additional financial burdens.
2. The Central Bank of Jordan's resolution to reduce the interest rates on credit facilities.
3. The Central Bank of Jordan's resolution to provide the financing needs for the public and private sectors at low interest rates to finance its operations.
4. The Central Bank of Jordan's resolution to reduce the costs associated with its sponsored programs to support the economic sectors.

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The Company has benefited from bank loans backed by the Central Bank of Jordan. The utilized balance of loans was JD 2,788,860 as at 30 September 2022 and against unearned governmental grants in the amount of JD 406,828 within other credit balances.

The Company implemented some programs offered by the Social Security Corporation, enabling the Company to realize operational savings during the period. The Company also benefited from the financing programs available through the Social Security Corporation which resulted in an increase in the other credit balances by JD 160,262 as of 30 September 2022, recorded against unearned governmental grant in the amount of JD 216,355 within other credit balances.

Management continues to monitor the impact that the COVID-19 pandemic on the Company's operating activities and its financial performance regularly in order to take appropriate measures to enable it to carry out its activities given the current circumstances.