

ARAB INTERNATIONAL HOTELS COMPANY

INTERIM CONDENSED FINANCIAL  
STATEMENTS (UNAUDITED)

31 MARCH 2019

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

We have reviewed the accompanying interim condensed financial statements of Arab International Hotels Company (a public shareholding Company) comprising the interim statement of financial position as at 31 March 2019 and the related interim statement of profit or loss, interim statement of comprehensive income, interim statements of changes in equity and interim statement of cash flows for the three months period then ended and explanatory information. Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of Review**

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

**Conclusion**

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

Amman – Jordan  
25 April 2019



**ARAB INTERNATIONAL HOTELS COMPANY PSC**  
**INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019 (UNAUDITED)**

	Notes	31 March 2019 JD (Unaudited)	31 December 2018 JD (Audited)
<b><u>ASSETS</u></b>			
<b>Non-current assets -</b>			
Property and equipment	4	15,301,477	15,291,333
Financial assets at fair value through other comprehensive income	11	5,770,562	5,962,071
Investment in associates	5	49,685,544	49,918,942
		<u>70,757,583</u>	<u>71,172,346</u>
<b>Current assets -</b>			
Inventories		394,290	397,667
Accounts receivable and other current assets		1,383,542	1,071,470
Financial assets amortized cost	8	1,500,000	1,500,000
Cash and short-term deposits at banks	12	4,671,276	1,953,726
		<u>7,949,108</u>	<u>4,922,863</u>
<b>Total Assets</b>		<u>78,706,691</u>	<u>76,095,209</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>EQUITY</u></b>			
Paid-in capital		32,000,000	32,000,000
Share premium		3,644,693	3,644,693
Statutory reserve		8,000,000	8,000,000
Voluntary reserve		13,000,000	13,000,000
Fair value reserve		(2,901,357)	(2,707,922)
Company's share from fair value reserve / from investment in associates		(1,528,801)	(1,433,085)
Retained earnings		3,134,029	3,361,947
<b>Total Equity</b>		<u>55,348,564</u>	<u>55,865,633</u>
<b><u>LIABILITIES</u></b>			
<b>Non-current liabilities -</b>			
Long-term loans	7	8,431,611	4,886,611
Bonds payable	6	10,000,000	10,000,000
		<u>18,431,611</u>	<u>14,886,611</u>
<b>Current liabilities -</b>			
Due to banks		-	124,575
Current portion of long-term loans	7	2,193,310	2,193,310
Accounts payable		811,541	883,743
Provisions and other current liabilities		1,921,665	2,141,337
		<u>4,926,516</u>	<u>5,342,965</u>
<b>Total Liabilities</b>		<u>23,358,127</u>	<u>20,229,576</u>
<b>Total Equity and Liabilities</b>		<u>78,706,691</u>	<u>76,095,209</u>

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

**ARAB INTERNATIONAL HOTELS COMPANY PSC**  
**INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019 (UNAUDITED)**

	Note	For the three months ended 31	
		March	
		2019	2018
		JD	JD
Operating revenues from Amman Marriott Hotel		2,464,830	2,584,107
Operating expenses from Amman Marriott Hotel		(1,889,916)	(1,906,030)
Depreciation on property and equipment		(324,535)	(304,270)
<b>Net operating revenues from the hotel</b>		<b>250,379</b>	<b>373,807</b>
Share of (loss) profit of associates		(137,682)	141,413
Dividends income		75,605	67,205
Other income		1,526	1,057
Depreciation on property and equipment		(8,851)	(8,889)
Interest income		27,432	57,412
Finance costs		(229,988)	(220,502)
Administrative expenses		(206,339)	(191,301)
<b>(Loss) profit before income tax</b>		<b>(227,918)</b>	<b>220,202</b>
Income tax expense	9	-	(5,600)
<b>(Loss) profit for the period</b>		<b>(227,918)</b>	<b>214,602</b>
		JD / Fils	JD / Fils
<b>Basic and diluted earnings per share</b>		<b>(0/007)</b>	<b>0/007</b>

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

**ARAB INTERNATIONAL HOTELS COMPANY PSC**  
**INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019 (UNAUDITED)**

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	For the three months ended	
	31 March	
	2019	2018
	JD	JD
<b>(Loss) profit for the period</b>	(227,918)	214,602
<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	(193,435)	75,896
Company's share of net change in fair value reserve from investments in associates	(95,716)	132,193
<b>Total comprehensive income for the period</b>	<b>(517,069)</b>	<b>422,691</b>

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

**ARAB INTERNATIONAL HOTELS COMPANY PSC**  
**INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019 (UNAUDITED)**

	Paid-in capital	Share premium	Statutory reserve	Voluntary reserve	Fair value reserve*	Company's share from fair value reserve /from investment in associates*	Retained earnings	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>2019 -</b>								
Balance at 1 January 2019	32,000,000	3,644,693	8,000,000	13,000,000	(2,707,922)	(1,433,085)	3,361,947	55,865,633
Total comprehensive income for the period	-	-	-	-	(193,435)	(95,716)	(227,918)	(517,069)
<b>Balance at 31 March 2019</b>	<b>32,000,000</b>	<b>3,644,693</b>	<b>8,000,000</b>	<b>13,000,000</b>	<b>(2,901,357)</b>	<b>(1,528,801)</b>	<b>3,134,029</b>	<b>55,348,564</b>
<b>2018 -</b>								
Balance at 1 January 2018	32,000,000	3,644,693	8,000,000	14,000,000	(2,104,318)	(782,716)	3,975,957	58,733,616
Total comprehensive income for the period	-	-	-	-	75,886	132,193	214,602	422,691
<b>Balance at 31 March 2018</b>	<b>32,000,000</b>	<b>3,644,693</b>	<b>8,000,000</b>	<b>14,000,000</b>	<b>(2,028,422)</b>	<b>(650,523)</b>	<b>4,190,559</b>	<b>59,156,307</b>

\* It is restricted to use an amount of JD 4,430,158 from retained earnings which represents the total negative balance of the fair value reserve and Company's share from fair value reserve /from investment in associates.

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

**ARAB INTERNATIONAL HOTELS COMPANY PSC**  
**INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019 (UNAUDITED)**

	For the three months ended 31	
	March	
	2019	2018
Note	JD	JD
<b><u>OPERATING ACTIVITIES</u></b>		
Profit before income tax	(227,918)	220,202
<b>Adjustments for:</b>		
Depreciation on property and equipment	333,386	313,159
Finance costs	229,988	220,502
Interest income	(27,432)	(57,412)
Share of loss (profit) of associates	137,682	(141,413)
Dividend income	(75,605)	(67,205)
<b>Changes in working capital:</b>		
Inventories	3,377	8,020
Accounts receivable and other current assets	(312,072)	(489,954)
Accounts payable	(72,202)	239,641
Provisions and other current liabilities	(207,847)	(281,721)
Income tax paid	(11,825)	(15,530)
<b>Net cash flows used in operating activities</b>	<b>(230,468)</b>	<b>(51,711)</b>
<b><u>INVESTING ACTIVITIES</u></b>		
Purchase of property and equipment	(343,530)	(551,280)
Purchase of shares in associates	-	(428,480)
Purchase of financial assets at fair value through other comprehensive income	(1,926)	(165,893)
Interest income received	27,432	57,412
Dividends income received	75,605	67,205
<b>Net cash flows used in investing activities</b>	<b>(242,419)</b>	<b>(1,021,036)</b>
<b><u>FINANCING ACTIVITIES</u></b>		
Repayments of loans	(709,000)	(709,000)
Proceeds from loans	4,254,000	-
Finance costs paid	(229,988)	(220,502)
<b>Net cash flows from (used in) financing activities</b>	<b>3,315,012</b>	<b>(929,502)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,842,125</b>	<b>(2,002,249)</b>
Cash and cash equivalents on 1 January	1,829,151	6,394,962
<b>Cash and cash equivalents on 31 March</b>	<b>4,671,276</b>	<b>4,392,713</b>
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The accompanying notes from 1 to 13 form part of these interim condensed financial statements

**ARAB INTERNATIONAL HOTELS COMPANY PSC**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2019 (UNAUDITED)**

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**(1) GENERAL**

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

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

**(2) BASIS OF PREPARATION**

The interim condensed financial statements for the three months period ended 31 March 2019 have been prepared in accordance with International Accounting Standard 34, (Interim Financial Reporting).

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

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

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company annual financial statements as of 31 December 2018. In addition, results for the three months period ended 31 March 2019 do not necessarily indicate the expected results for the financial year ending 31 December 2019.

**(3) CHANGES IN ACCOUNTING POLICIES**

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

**IFRS 16 Leases**

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**(4) PROPERTY AND EQUIPMENT**

The Company purchased property and equipment at a cost of JD 343,530 during the three months period ended 31 March 2019 (31 March 2018: JD 551,280).

**(5) INVESTMENT IN ASSOCIATES**

	% of ownership		Value	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	% (Unaudited)	% (Audited)	JD (Unaudited)	JD (Audited)
Business Tourism Company	35.516	35.516	17,840,062	17,878,566
Al Dawliyah for Hotels and Malls Company	26.91	26.91	13,947,650	14,017,448
Interior Design Studio Company	25	25	40,970	40,970
Beaches Company for Hotels and Resorts	30.93	30.93	2,852,488	2,855,248
Jordan Investor Center Company	49.34	49.34	13,489,825	13,612,419
Arab International Real Estate Company	42.35	42.35	1,514,549	1,514,291
			<u>49,685,544</u>	<u>49,918,942</u>

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

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

Movement on investment in associates is as follows:

	31 March 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Balance at 1 January	49,918,942	51,113,379
Dividends received	-	(1,094,338)
Share of (loss) profit of associates	(137,682)	121,790
Company share of change in fair value reserve	(95,716)	(650,369)
Share purchases in associate company*	-	428,480
	49,685,544	49,918,942

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

**(6) BONDS PAYABLE**

On 22 January 2017, The Arab International Hotels Company PSC issued 10,000 bonds through Jordan Ahli Bank with a par value of JD 1,000 with a total value of JD 10,000,000 for five years at a fixed interest rate of 5.5% payable semi-annually. The bonds are due in one instalment on 22 January 2022.

**ARAB INTERNATIONAL HOTELS COMPANY PSC**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
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**(7) Loans**

	31 March 2019 (Unaudited)		31 December 2018 (Audited)	
	Current portion of long-term loans JD	Long term loans JD	Current portion of long-term loans JD	Long term loans JD
Jordan Ahli Bank – USD (1)	1,418,000	-	1,418,000	709,000
Jordan Ahli Bank – USD (2)	330,866	2,316,070	330,866	2,316,070
Jordan Ahli Bank – JD (3)	444,444	1,861,541	444,444	1,861,541
Jordan Ahli Bank – USD (4)	-	4,254,000	-	-
	<u>2,193,310</u>	<u>8,431,611</u>	<u>2,193,310</u>	<u>4,886,611</u>

**Jordan Ahli Bank – USD (1)**

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

**Jordan Ahli Bank – USD (2)**

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

**Jordan Ahli Bank – JD (3)**

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

**Jordan Ahli Bank – USD (4)**

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

**ARAB INTERNATIONAL HOTELS COMPANY PSC**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
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**(8) FINANCIAL ASSETS AT AMORTIZED COST**

On 12 October 2017 Arab International Hotels Company Limited purchased 15 Bonds from Jordan Ahli Bank (sister company) with a variable interest rate where the interest at the beginning of each period equal the re-discount interest rate with Central Bank of Jordan plus a margin of 2%, at the time of issuance the interest rate was 6.75% the interest is due semi-annually. Bonds due in one instalment on 12 October 2023. During October 2018, the Board of Directors of the Company decided to sell the Jordan Ahli Bank Bonds, so that the balance of these bonds was classified as current assets.

**(9) INCOME TAX**

The income tax for the periods ended 31 March 2019 has not been calculated due to the increase in expenses over taxable income in accordance with income tax law no. (34) of 2014 amended by tax law no. (38) of 2018, while the income tax for the period ended 31 March 2018 is calculated in accordance with the Income Tax Law No. (34) of 2014.

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

The Company has submitted its self-assessment for the years 2016, 2017 and 2018 and has not been audited by the income tax department until the date of preparation of these financial statements.

**ARAB INTERNATIONAL HOTELS COMPANY PSC**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
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**(10) TRANSACTION WITH RELATED PARTIES**

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

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

	31 March 2019 JD (Unaudited)	31 December 2018 JD (Audited)
<b>Due from related parties</b>		
Bank deposits - Jordan Ahli Bank	2,500,000	-
Current accounts - Jordan Ahli Bank	334,123	1,700,507
Financial assets at amortized cost (Note 8)	1,500,000	1,500,000
<b>Due to related parties</b>		
Loans from Jordan Ahli Bank	10,624,921	7,079,921
Due to banks - Jordan Ahli Bank	-	124,575
Bonds payable owned from related parties (note 6)	7,300,000	7,300,000
<b>Account receivable</b>		
Account receivable- Board of Directors	-	178,750
<b>Financial assets at fair value through other comprehensive Income</b>		
Jordan Worsted Mills	2,468,095	2,710,272
El Zay Company	114,787	122,439
Jordan Ahli Bank	1,686,643	1,641,058
<b>Balances included in accounts receivable and other current assets</b>		
Due from Partner of Interior Design Studio Company– included in receivables and other debit balances	23,299	24,299
Petra Marriott Hotel Partner – included in receivables and other debit balances	-	31,831
Jordan Valley Marriott Hotel Partner – included in receivables and other debit balances	-	105,759
Due from Jordan Investor center Company	1,733	-
Due from Business Tourism Company	825	766
	25,857	162,655

**ARAB INTERNATIONAL HOTELS COMPANY PSC**  
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Transactions with related parties included in the statement of profit or loss are as follows:

	For the three months ended 31 March	
	2019	2018
	JD	JD
	(Unaudited)	(Unaudited)
Key management salaries and benefits and Board of Directors remuneration	112,304	98,144
Interest income on deposits - Jordan Ahli Bank	-	32,446
Finance costs – Jordan Ahli Bank	82,976	84,886
Interest on bonds issued to related parties	99,000	117,986
Interest income financial assets at mortised cost	27,432	24,966

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

	31 March 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
Investment in companies shares - quoted	5,593,562	5,785,071
Investment in companies shares - unquoted	177,000	177,000
	5,770,562	5,962,071

The movement in the fair value reserve is summarized below:

	31 March 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
Balance as of 1 January	(2,707,922)	(2,104,318)
Change in fair value	(193,435)	(603,604)
Ending balance	(2,901,357)	(2,707,922)

**ARAB INTERNATIONAL HOTELS COMPANY PSC**  
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**(12) CASH ON HAND AND AT BANKS**

	31 March 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
Short-term deposits*	2,500,000	-
Cash on hands and at banks	2,171,276	1,953,726
	<u>4,671,276</u>	<u>1,953,726</u>
Less: Due to banks	-	124,575
	<u>4,671,276</u>	<u>1,829,151</u>

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

**(13) SEGMENT INFORMATION**

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

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

	For the three months ended 31 March (Unaudited)	
	2019	2018
	JD	JD
Rooms revenues	1,557,609	1,750,586
F & B Revenues	840,760	788,433
Other revenues	66,461	45,088
	<u>2,464,830</u>	<u>2,584,107</u>



**ARAB INTERNATIONAL HOTELS COMPANY PSC**  
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**31 MARCH 2019 (UNAUDITED)**

	Hotel sector	Investment in financial assets	Total
	JD	JD	JD
<b>For the three months period ended 31 March 2019 (unaudited)-</b>			
Revenues	2,411,892	19,819	2,431,711
<b>Segment results -</b>			
<b>(Loss) profit before income tax</b>	(247,737)	19,819	(227,918)
Income tax expense	-	-	-
(Loss) profit for the period	(247,737)	19,819	(227,918)
<b><u>Other Segment Information</u></b>			
Capital expenditure	343,530	-	343,530
Depreciation	333,386	-	333,386

	Hotel sector	Investment in financial assets	Total
	JD	JD	JD
<b>For the three months period ended 31 March 2018 (unaudited)-</b>			
Revenues	2,642,576	187,245	2,851,194
<b>Segment results -</b>			
<b>Profit before income tax</b>	11,584	187,245	220,202
Income tax expense	(5,600)	-	(5,600)
Profit for the period	5,984	187,245	214,602
<b><u>Other Segment Information</u></b>			
Capital expenditure	551,280	-	551,280
Depreciation	313,159	-	313,159

**Assets and Liabilities**

**As of 31 March 2019 -(unaudited)**

Assets	56,390,785	22,315,906	78,706,691
Liabilities	23,358,127	-	23,358,127

**31 December 2018 (audited)**

Assets	53,465,458	22,629,751	76,095,209
Liabilities	20,229,576	-	20,229,576

the Company's share of loss of associates amounted to JD 137,682 as of 31 March 2019 (31 March 2018 profits of JD 141,413)