

ARAB INTERNATIONAL HOTELS COMPANY

INTERIM CONDENSED FINANCIAL

STATEMENTS (UNAUDITED)

30 JUNE 2019



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**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 condensed statement of financial position as at 30 June 2019 and the related interim condensed statement of profit or loss, interim condensed statement of comprehensive income, interim condensed statement of changes in equity and Interim condensed statement of cash flows for the six 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
24 July 2019

ARAB INTERNATIONAL HOTELS COMPANY PSC
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019 (UNAUDITED)

	Notes	30 June 2019 JD (Unaudited)	31 December 2018 JD (Audited)
ASSETS			
Non-current assets -			
Property and equipment	4	15,256,481	15,291,333
Financial assets at fair value through other comprehensive income	12	5,447,321	5,962,071
Investment in associates	5	49,086,844	49,918,942
		<u>69,790,646</u>	<u>71,172,346</u>
Current assets -			
Inventories		399,080	397,667
Accounts receivable and other current assets		1,165,176	1,071,470
Financial assets at amortized cost	9	1,500,000	1,500,000
Cash on hand and at banks	13	3,669,728	1,953,726
		<u>6,733,984</u>	<u>4,922,863</u>
Total Assets		<u>76,524,630</u>	<u>76,095,209</u>
EQUITY AND LIABILITIES			
EQUITY			
Paid-in capital		32,000,000	32,000,000
Share premium		3,644,693	3,644,693
Statutory reserve		8,000,000	8,000,000
Voluntary reserve		8,000,000	13,000,000
Fair value reserve		(3,224,599)	(2,707,922)
Company's share from fair value reserve / from investment in associates		(2,052,362)	(1,433,085)
Retained earnings		6,928,058	3,361,947
Total Equity		<u>53,295,790</u>	<u>55,865,633</u>
LIABILITIES			
Non-current liabilities -			
Long-term loans	8	8,043,956	4,886,611
Bonds payable	6	10,000,000	10,000,000
		<u>18,043,956</u>	<u>14,886,611</u>
Current liabilities -			
Due Banks		-	124,575
Current portion of long- term loans	8	2,193,310	2,193,310
Accounts payable		951,825	883,743
Provisions and other current liabilities		2,039,749	2,141,337
		<u>5,184,884</u>	<u>5,342,965</u>
Total Liabilities		<u>23,228,840</u>	<u>20,229,576</u>
Total Equity and Liabilities		<u>76,524,630</u>	<u>76,095,209</u>

The accompanying notes from 1 to 14 form part of these interim condensed financial statements

ARAB INTERNATIONAL HOTELS COMPANY PSC
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS
FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2019 (UNAUDITED)

	Notes	For the three months		For the six months ended	
		ended 30 June		30 June	
		2019	2018	2019	2018
		JD	JD	JD	JD
Operating revenues from Amman Marriott Hotel		2,754,050	2,759,474	5,218,880	5,343,581
Operating expenses from Amman Marriott Hotel		(2,081,278)	(2,143,126)	(3,971,194)	(4,049,156)
Depreciation on property and equipment		(336,809)	(314,169)	(661,344)	(618,439)
Net operating revenues from the hotel		335,963	302,179	586,342	675,986
Share of profit of associates		481,858	479,041	344,176	620,454
Dividends income		295,938	295,851	371,543	363,056
Other income		42,191	2,527	43,717	3,584
Depreciation on property and equipment		(4,907)	(8,889)	(13,758)	(17,778)
Interest income		46,858	45,370	74,290	102,782
Finance costs		(272,723)	(240,483)	(502,711)	(460,985)
Administrative expenses		(211,149)	(215,814)	(417,488)	(407,115)
Profit before income tax		714,029	659,782	486,111	879,984
Income tax expense	10	-	(45,504)	-	(51,104)
Profit for the period		714,029	614,278	486,111	828,880
		JD / Fils	JD / Fils	JD / Fils	JD / Fils
Basic and diluted earnings per share		0/022	0/019	0/015	0/026

The accompanying notes from 1 to 14 form part of these interim condensed financial statements

ARAB INTERNATIONAL HOTELS COMPANY PSC
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND THE SIX MONTHS PERIOD ENDED 30 JUNE 2019 (UNAUDITED)

	For the three months ended 30		For the six months ended 30	
	June		June	
	2019	2018	2019	2018
	JD	JD	JD	JD
Profit for the year	714,029	614,278	486,111	828,880
Add: Other comprehensive income items not to be reclassified to profit or loss in subsequent periods:				
Change in fair value of financial assets at fair value through other comprehensive income	(323,242)	(396,028)	(516,677)	(320,132)
Company's share of net change in fair value reserve from investments in associates	(523,561)	(109,947)	(619,277)	22,246
Total comprehensive income for the period	(132,774)	108,303	(649,843)	530,994

The accompanying notes from 1 to 14 form part of these interim condensed financial statements

ARAB INTERNATIONAL HOTELS COMPANY PSC
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 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	JD	JD	JD	JD	JD	JD	JD	JD
2019 -																
Balance at 1 January 2019	32,000,000	3,644,693	8,000,000	8,000,000	13,000,000	(2,707,922)	(1,433,085)	3,361,947	55,865,633							
Total comprehensive income for the period	-	-	-	(516,677)	486,111	(649,843)										
Transfers (Note 3)	-	-	-	(5,000,000)	5,000,000											
Dividends paid (Note 7)	-	-	-	-	(1,920,000)											
Balance at 30 June 2019	32,000,000	3,644,693	8,000,000	8,000,000	8,000,000	(3,224,599)	(2,052,362)	6,928,058	53,295,790							
2018 -																
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	-	-	-	(320,132)	828,880	530,994										
Transfers	-	-	-	(1,000,000)	1,000,000											
Dividends paid	-	-	-	-	(2,080,000)											
Balance at 30 June 2018	32,000,000	3,644,693	8,000,000	13,000,000	(2,424,450)	(760,470)	3,724,837	57,184,610								

* It is restricted to use an amount of JD 5,276,961 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 14 form part of these interim condensed financial statements

ARAB INTERNATIONAL HOTELS COMPANY PSC
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2019 (UNAUDITED)

	For the six months ended 30	
	June	
	Note	
	2019	2018
	JD	JD
<u>OPERATING ACTIVITIES</u>		
Profit before income tax	486,111	879,984
Adjustments for:		
Depreciation on property and equipment	675,102	636,217
Finance costs	502,711	460,985
Gain from Fixed Assets disposal	(41,534)	-
Interest income	(74,290)	(102,782)
Share of profit of associates	(344,176)	(620,454)
Dividends income	(371,543)	(363,056)
Changes in working capital:		
Accounts receivable and other current assets	(93,706)	(614,317)
Inventory	(1,413)	(3,047)
Accounts payable	68,082	(185,903)
Provisions and other current liabilities	(30,238)	241,825
Income tax paid	(71,350)	(116,296)
Net cash flows from operating activities	703,756	213,156
<u>INVESTING ACTIVITIES</u>		
Advances over investment increase	-	(297,823)
Interest income received	74,290	102,782
Dividends received from associates	556,997	1,094,338
Dividends income received	371,543	363,056
Purchase of financial assets at fair value through other comprehensive income	(1,927)	(165,894)
Purchase of property and equipment	(648,558)	(928,528)
Property and equipment disposal	49,842	-
Purchase share's from associates	-	(428,480)
Net cash flows from (used in) investing activities	402,187	(260,549)
<u>FINANCING ACTIVITIES</u>		
Dividends paid	(1,920,000)	(2,080,000)
Repayments of loans	(1,096,655)	(931,222)
Proceeds from loans	4,254,000	-
Finance cost paid	(502,711)	(460,985)
Net cash flows from (used in) financing activities	734,634	(3,472,207)
Net increase (decrease) in cash and cash equivalents	1,840,577	(3,519,600)
Cash and cash equivalents on 1 January	1,829,151	6,394,962
Cash and cash equivalents on 30 June	3,669,728	2,875,362
	13	

The accompanying notes from 1 to 14 form part of these interim condensed financial statements

ARAB INTERNATIONAL HOTELS COMPANY PSC
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

(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. Marriott International Corporation manages the Hotel 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 six months period ended 30 June 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 six months period ended 30 June 2019 do not necessarily indicate the expected results for the financial year ending 31 December 2019.

CHANGES IN ACCOUNTING POLICIES

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

IFRS 16 Leases

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

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

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

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

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

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

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

Amendments to IFRS 9: Prepayment Features with Negative Compensation

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

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

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

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

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

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

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

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

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

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.

(3) LEGAL RESERVES

The Company did not transfer to the statutory reserve as required by the Jordanian Companies Law, as those are interim financial statements.

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

(4) PROPERTY AND EQUIPMENT

The Company purchased property and equipment at a cost of JD 648,558 during the six months period ended 30 June 2019 (30 June 2018: JD 928,528).

ARAB INTERNATIONAL HOTELS COMPANY PSC
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30 JUNE 2019 (UNAUDITED)

(5) INVESTMENT IN ASSOCIATES

	% of ownership		Value	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	% (Unaudited)	% (Audited)	JD (Unaudited)	JD (Audited)
Business Tourism Company	35.516	35.516	17,807,085	17,878,566
Al Dawliyah for Hotels and Malls Company*	26.91	26.91	13,642,599	14,017,448
Interior Design Studio Company	25	25	36,561	40,970
Beaches Company for Hotels and Resorts	30.93	30.93	2,849,510	2,855,248
Jordan Investor Center Company	49.34	49.34	13,236,258	13,612,419
Arab International Real Estate Company	42.35	42.35	1,514,831	1,514,291
			<u>49,086,844</u>	<u>49,918,942</u>

The schedule below includes a summary of the associate's main operations:

Company	Main operation
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:

	30 June 2019	31 December 2018
	JD (Audited)	JD (Unaudited)
Balance at 1 January	49,918,942	51,113,379
Dividends received	(556,997)	(1,094,338)
Share of profit of associates	344,176	121,790
Share of change in fair value reserve	(619,277)	(650,369)
Purchase of shares in associate*	-	428,480
	<u>49,086,844</u>	<u>49,918,942</u>

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

(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 JD1,000 and a total value of JD 10,000,000 for five years at a fixed interest rate of 5.5% payable semi-annually. The bonds are due in one instalment on 22 January 2022.

ARAB INTERNATIONAL HOTELS COMPANY PSC
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30 JUNE 2019 (UNAUDITED)

(7) DIVIDENDS

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

(8) Loans

	30 June 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	2,150,637	330,866	2,316,070
Jordan Ahli Bank – JD (3)	444,444	1,639,319	444,444	1,861,541
Jordan Ahli Bank – USD (4)	-	4,254,000	-	-
	<u>2,193,310</u>	<u>8,043,956</u>	<u>2,193,310</u>	<u>4,886,611</u>

Jordan Ahli Bank – USD (1)

This represents Jordan Ahli Bank loan amounting to USD 10,000,000 (JD 7,090,000). The Company signed an agreement with Jordan Ahli Bank on 6 August 2015 for a loan which was granted against the Company's guarantee bearing 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% based on the daily balanced utilized. 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.

ARAB INTERNATIONAL HOTELS COMPANY PSC
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30 JUNE 2019 (UNAUDITED)

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.

(9) 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.

(10) INCOME TAX

The income tax for the periods ended 31 June 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 June 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.

(11) 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:

	30 June 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Due from related parties		
Bank deposits - Jordan Ahli Bank	1,518,821	-
Current accounts - Jordan Ahli Bank	2,129,407	1,700,507
Financial assets at amortized cost	1,500,000	1,500,000

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30 JUNE 2019 (UNAUDITED)

	30 June 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Due to related parties		
Loans from Jordan Ahli Bank	10,237,266	7,079,921
Bonds payable owned from related parties (note 6)	7,300,000	7,300,000
	30 June 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Financial assets at fair value through other comprehensive Income		
Jordan Worsted Mills	2,242,079	2,710,272
El Zay for Ready Wear Manufacturing Company	168,354	122,439
Jordan Ahli Bank	1,595,473	1,641,058
	30 June 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Due from included in receivables and other debit balances to		
Interior Design Studio Company	23,299	24,299
Petra Marriott Hotel Partner	13,840	31,831
Jordan Valley Marriott Hotel Partner	38,974	105,759
	76,113	161,889

- The Company has purchased 514,512 shares of Al- Dwaliayh for Hotels and Malls Company Public Share Holding Company.
- The Company participated in for El- Zay for ready wear Manufacturing Company capital increase by an amount of JD 297,823.

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

	For the six months ended 30 June	
	2019 JD (Unaudited)	2018 JD (Unaudited)
Key management salaries and benefits and Board of Directors remuneration	211,910	196,979
Interest income on deposits - Jordan Ahli Bank	17,999	50,929
Finance costs – Jordan Ahli Bank	229,971	188,245
Interest on bonds issued to related parties	200,750	200,750
Interest income on financial assets at amortised cost	56,291	51,853
Dividends income	294,584	274,657

ARAB INTERNATIONAL HOTELS COMPANY PSC
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

(12) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE

	30 June 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
Investment in companies shares - quoted	5,270,321	5,785,071
Investment in companies shares – unquoted	177,000	177,000
	<u>5,447,321</u>	<u>5,962,071</u>

(13) CASH ON HAND AND AT BANKS

	30 June 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
Short-term deposits*	1,518,821	-
Cash on hands and at banks	2,150,907	1,953,726
	<u>3,669,728</u>	<u>1,953,726</u>
Less: Due to banks	-	(124,575)
	<u>3,669,728</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 at an interest rate of 4%.

(14) 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 six months ended 30 June (Unaudited)	
	2019	2018
	JD	JD
Rooms revenues	3,203,314	3,393,681
F & B Revenues	1,862,229	1,862,938
Other revenues	153,337	86,962
	<u>5,218,880</u>	<u>5,343,581</u>

ARAB INTERNATIONAL HOTELS COMPANY PSC
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

	Hotel sector	Investment in financial assets	Total
	JD	JD	JD
For the six months period ended 30 June 2019 (unaudited)-			
Revenues	5,515,744	536,862	6,052,606
Segment results -			
profit before income tax	(50,751)	536,862	486,111
Income tax expense	-	-	-
profit for the period	(50,751)	536,862	486,111
<u>Other Segment Information</u>			
Capital expenditure	648,558	-	648,558
Depreciation	675,102	-	675,102
	Hotel sector	Investment in financial assets	Total
	JD	JD	JD
For the six months period ended 30 June 2018 (unaudited)-			
Revenues	5,707,207	726,250	6,433,457
Segment results -			
Profit before income tax	153,734	726,250	879,984
Income tax expense	(9,800)	(41,304)	(51,104)
Profit for the period	143,934	684,946	828,880
<u>Other Segment Information</u>			
Capital expenditure	928,528	-	928,528
Depreciation	636,217	-	636,217
<u>Assets and Liabilities</u>			
As of 30 June 2019 -(unaudited)			
Assets	54,320,828	22,203,802	76,524,630
Liabilities	23,228,840	-	23,228,840
31 December 2018 (audited)			
Assets	53,465,458	22,629,751	76,095,209
Liabilities	20,229,576	-	20,229,576