ARAB INTERNATIONAL HOTELS COMPANY

PUBLIC SHAREHOLDING COMPANY

FINANCIAL STATEMENTS

31 DECEMBER 2024

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Arab International Hotels Company Public Shareholding Company
Amman – Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Arab International Hotels Company Public Shareholding Company (the Company), which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context.

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

Revenue recognition	**How the key audit matter was addressed in the audit**
Revenue recognition has been considered as a key audit matter as there is a probability of misstatements when recording and recognizing revenues due to high volume of revenues with low value transactions. There is also a risk that billing to guests and customers may be done for services that are not rendered or services rendered but not billed or recorded and hence may result in an overstatement or an understatement of revenues. The Company focuses on revenues as a key performance indicator, which may create an incentive for revenues to be recognized before rendering the service.	Our audit procedures included the assessment of the material accounting policy information followed by the company to recognize revenues in accordance with IFRS Accounting policies. We tested the Company's controls around revenue recognition and key controls in the revenue cycle. We also performed analytical procedures on the gross margin for rooms and food, beverages and other departments. Having built expectations about revenue figures for the year we performed substantive analytical procedures using financial and non-financial information. We selected and tested a sample of journal entries on revenue accounts. The disclosures related to revenues appear in Note (24) to the financial statements, and the disclosures related to the material accounting policies for revenue recognition are presented in Note (5) to the financial statements.

Other information included in the Company’s 2024 annual report

Other information consists of the information included in the Company’s 2024 annual report, other than the financial statements and our auditor’s report thereon. Management is responsible for the other information. The Company 2024 annual report is expected to be made available to us after the date of this auditor’s report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exist. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Amman – Jordan
11 February 2025

ERNST & YOUNG
Amman - Jordan

ARAB INTERNATIONAL HOTELS COMPANY - PUBLIC SHAREHOLDING COMPANY
STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2024

	Notes	2024	2023
ASSETS		JD	JD
Non-current assets -			
Property and equipment	6	11,842,416	11,227,446
Financial assets at fair value through other comprehensive income	8	6,012,068	6,353,603
Investments in associates	7	41,534,651	43,586,243
Deferred tax assets		418,409	418,409
		59,807,544	61,585,701
Current assets -			
Inventories		272,994	272,389
Receivables and other debit balances	12	473,108	477,275
Cash and short-term deposits	9	1,072,692	1,464,819
		1,818,794	2,214,483
Total Assets		61,626,338	63,800,184
EQUITY AND LIABILITIES			
Equity-			
Paid-in capital	1 & 13	32,728,881	32,728,881
Share premium	13	3,644,693	3,644,693
Statutory reserve	13	8,118,170	8,118,170
Voluntary reserve	13	4,000,000	4,000,000
Fair value reserve	8	(3,820,263)	(3,478,652)
Company's share of the fair value reserve from investments in associates		(4,077,336)	(2,423,399)
Retained earnings		4,730,305	7,388,937
Total Equity		45,324,450	49,978,630
Non-current liabilities -			
Long-term loans	10	3,676,698	3,991,639
Bonds payable	11	4,680,000	4,680,000
		8,356,698	8,671,639
Current liabilities -			
Due to banks	9	2,410,463	-
Current portion of long-term loans	10	4,015,358	3,388,350
Accounts payables		561,962	608,888
Provisions and other credit balances	15	955,417	1,125,781
Income tax provision	17	1,990	26,896
		7,945,190	5,149,915
Total Liabilities		16,301,888	13,821,554
Total Equity and Liabilities		61,626,338	63,800,184

The accompanying notes from 1 to 25 form part of these financial statements

ARAB INTERNATIONAL HOTELS COMPANY - PUBLIC SHAREHOLDING COMPANY
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
		JD	JD
Operational revenues of Amman Marriott Hotel	24	8,250,716	9,880,409
Operational costs of Amman Marriott Hotel		(6,694,777)	(7,321,037)
Depreciation of property and equipment	6	(872,136)	(982,881)
Operating profit of the hotel		683,803	1,576,491
Administrative expenses	16	(903,476)	(853,432)
Company's share of (losses) gains from associates	7	(639,387)	519,494
Investment impairment losses	7	(8,766)	(25,630)
Bank interest income		6,769	16,920
Finance costs		(788,942)	(648,244)
Dividends income		372,910	343,363
Depreciation of property and equipment	6	(15,952)	(14,883)
Other income		4,062	4,244
(Loss) profit before income tax		(1,288,979)	918,323
Income tax for the year	17	(60,505)	(35,056)
(Loss) profit for the year		(1,349,484)	883,267
		Fils / JD	Fils / JD
Basic (loss) profit earnings per share	18	(0.041)	0.027

The accompanying notes from 1 to 25 form part of these financial statements

Arab International Hotels Company - Public Shareholding Company
Statement of Comprehensive Income
For the Year Ended 31 December 2024

	Notes	2024	2023
		JD	JD
(Loss) profit for the year		(1,349,484)	883,267
Add: Other comprehensive income items not to be reclassified to profit or loss in subsequent periods:			
Net change in fair value reserve	8	(341,611)	105,428
Company's share of the net change in fair value reserve from the investments in associates	7	(1,653,937)	465,169
Total comprehensive income for the year		(3,345,032)	1,453,864

The accompanying notes from 1 to 25 form part of these financial statements

ARAB INTERNATIONAL HOTELS COMPANY - PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Paid-in capital	Share premium	Statutory reserve	Voluntary reserve	Fair value reserve*	Company's share of the fair value reserve from investment in associates*	Retained earnings	Total
	JD	JD	JD	JD	JD	JD	JD	JD
2024 -								
Balance at 1 January 2024	32,728,881	3,644,693	8,118,170	4,000,000	(3,478,652)	(2,423,399)	7,388,937	49,978,630
Total comprehensive income for the year	-	-	-	-	(341,611)	(1,653,937)	(1,349,484)	(3,345,032)
Dividends distribution (note 14)	-	-	-	-	-	-	(1,309,148)	(1,309,148)
Balance at 31 December 2024	32,728,881	3,644,693	8,118,170	4,000,000	(3,820,263)	(4,077,336)	4,730,305	45,324,450
2023 -								
Balance at 1 January 2023	32,728,881	3,644,693	8,026,338	4,000,000	(3,584,080)	(2,888,568)	7,252,080	49,179,344
Total comprehensive income for the year	-	-	-	-	105,428	465,169	883,267	1,453,864
Transferred to statutory reserve	-	-	91,832	-	-	-	(91,832)	-
Dividends distribution (note 14)	-	-	-	-	-	-	(654,578)	(654,578)
Balance at 31 December 2023	32,728,881	3,644,693	8,118,170	4,000,000	(3,478,652)	(2,423,399)	7,388,937	49,978,630

* It is restricted to use an amount of JD 7,897,599 from retained earnings as at 31 December 2024 (JD 5,902,051 as at 31 December 2023), which represents the net of the negative balance of the fair value reserve and Company's share of fair value reserve from investment in associates.

ARAB INTERNATIONAL HOTELS COMPANY - PUBLIC SHAREHOLDING COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
OPERATING ACTIVITIES		JD	JD
(Loss) profit for the year before income tax		(1,288,979)	918,323
Adjustments:			
Depreciation on property and equipment	6	888,088	997,764
Finance costs		788,942	648,244
Bank interest income		(6,769)	(16,920)
Company's share from associates' losses (gain)	7	639,387	(519,494)
Gain from sale of property and equipment		(4,062)	-
Dividends income		(372,910)	(343,363)
Investment impairment losses	7	8,766	25,630
(Recovered from) expected credit losses provision	12	(1,742)	2,658
Changes in working capital:			
Inventories		(605)	159,364
Receivables and other debit balances		5,909	153,262
Accounts payable		(46,926)	(284,802)
Provisions and other credit balances		(293,759)	(48,306)
Income tax paid	17	(85,411)	(8,160)
Net cash flows from operating activities		229,929	1,684,200
INVESTING ACTIVITIES			
Purchase of property and equipment and additions on project under construction	6	(1,503,085)	(218,903)
Purchase of financial assets at fair value through other comprehensive income	8	(76)	(310,158)
Increase in an associate's capital	7	(250,498)	(289,030)
Profit returns on financial assets at fair value through other comprehensive income		372,910	343,363
Interest income received		6,769	7,174
Proceeds from sale of property and equipment		4,089	-
Net cash flows used in investing activities		(1,369,891)	(467,554)
FINANCING ACTIVITIES			
Dividends paid		(1,285,187)	(654,578)
Repayments of loans	10	(4,888,546)	(2,842,925)
Proceeds from loans	10	5,200,613	1,297,461
Finance costs paid		(689,508)	(648,244)
Net cash flows used in financing activities		(1,662,628)	(2,848,286)
Net decrease in cash and cash equivalents		(2,802,590)	(1,631,640)
Cash and cash equivalents on 1 January		1,464,819	3,096,459
Cash and cash equivalents at 31 December	9	(1,337,771)	1,464,819

(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 throughout the years to become JD 32,000,000 with par value of JD 1 per share. During 2021, the Company was merged with Beaches Company for Hotels and Resorts, and 728,881 shares were issued with a nominal par of JD 1 per share, bringing the capital to JD 32,728,881 as at 31 December 2024 and 31 December 2023.

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.

The financial statements were approved by the Company's Board of Directors on 10 February 2025, and these financial statements require the approval of the General Assembly of the shareholders of the Company.

(2) BASIS OF FINANCIAL STATEMENTS PREPARATION

(2-1) BASIS OF PREPARATION

The financial statements have been prepared in accordance with IFRS Accounting Standards.

The consolidated financial statements have been prepared on the historical cost basis.

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

(3) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2023 except for the adoption of new amendments on the standards effective as of 1 January 2024 shown below:

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

I In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no material impact on the Company's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

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

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

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

The amendments had no material impact on the Company's financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments.

As a result, the amendments had no material impact on the Company's financial statements.

(4) USE OF ESTIMATES

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

The Company's management believes that its estimates in the financial statements are reasonable and detailed as follows:

- Provision for expected credit losses on receivables: Provision for expected credit losses on receivables is reviewed and under the principles and assumptions approved by the Company's management to estimate the allowance amount and in accordance with IFRS requirements.

- Income tax provision: The fiscal year shall be charged in respect of the income tax expense in accordance with the regulations, laws and accounting standards. The needed income tax provision is calculated accordingly.

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

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

(5) MATERIAL ACCOUNTING POLICY INFORMATION

Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses (except lands).

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

	%
Hotel's building, renovations, and improvements	2-20
Furniture and fixtures	8-12
Machinery and equipment	6-20
Vehicles	15
Fire extinguishing system	4
Solar System	5

The assets carrying values of property and equipment are reviewed whenever indications arise or events incur that indicates that the carrying value is not recoverable. The asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount and recording impairment loss in the statement of comprehensive income.

The assets useful life and depreciation methods are reviewed on a periodic basis to ensure that the depreciation methods and periods are proportionate to the future economic benefits from property and equipment.

Financial assets at fair value through other comprehensive income

These assets represent investments in equity instruments for the purpose of maintaining them over the long term.

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

- These assets are not subject to impairment testing.
- Dividends received are recognized in the statement of profit or loss when declared.

Investments in associates

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

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

Under the equity method, investments in associates are stated at cost. The book value of the investments in the associate company is adjusted to record the company's share in the changes in the net assets of the associate company on the date of acquistion. The goodwill generated by the associate company is recorded as part of the investment account and is not amortized nor is an impairment test conducted for it individually.

The profit or loss statement reflects the Company's share of the results of the associate company's business. Any changes in the other comprehensive income of this investment are classified within the statement of comprehensive income.In the event that there is a change in the equity of the associate company. If any changes occurs it will be shown in the statement of changes in equity. Profit and losses resulting from transacations between the Company and its associates are excluded of the Company's share in the associate company.

The Company's share of the profits and losses of the associate company is shown in the statement of profit or loss outside the operating activites, which the profit or loss net of tax and non-controlling interest in the subsidiary of the affiliate company.

The financial statements of the associate company are preprared for the same financial period and same accounting policies.

After applying the equity method, the Company determines whether there is a need to calculate an impairment loss on its investment in the affiliate company. At the end of teach fiscal year, the company determines whether there is objective evidence of impairment in investment in the affiliate company. By calculating the value of that impairment as the difference between the recoverable amount of the associate and its book value, which the loss is recognised in the statement of profit or loss.

When the loss of significant influence over the associate, the Group measures and recognize the return on investment at fair value. Any differences between the book value of the investment and the fair value are recorded in the profit or loss statement.

Accounts receivable

Accounts receivables are stated at original invoice amount less provision expected credit losses. The Company applies the simplified approach in calculating the expected credit loss in accordance with the International Financial Reporting Standard number (9).

Inventories

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

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand and at banks and short-term deposits with maturities of three months or less.

Fair value

The Company measures financial instruments such as financial assets at fair value through other comprehensive income at fair value on the date of the financial statements as disclosed in (note 21).

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

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability In the principal market for the asset or liability.

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

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

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

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

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

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

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

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

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

Loans

After initial recognition, interest bearing loans are subsequently measured at amortized cost using the effective interest rate method.

Provisions

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

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments which are measured based on the reporting to management and the decision makers in the Company.

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

The Company's activity consists of three economic sectors the revenues and expenses of the Marriott Amman Hotel, investments in financial assets through other comprehensive income and investments in associates.

Revenue and expenses recognition

Revenue is recognized based on the five-step model framework derived from the international financial reporting standard number (15) which includes the identification of the contract, price, allocating the contract price to the performance obligation in the contract and recognizing revenue when the company satisfies the performance obligation. Whereby revenue is recognized when selling goods to the customers and issuing the invoice to the customer at a point in time.

Interest revenue is recognised on accrual basis using effective interest rate.

Company's share of profits of associates is recognised by using the equity method when the associates declare their results.

Other income is recognised on accrual basis.

Expenses are recognised on accrual basis.

Foreign currency

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

Income Taxes

Income tax is accounted for in accordance with the Income Tax Law No. (34) of 2014 and its amendments and International Accounting Standard No. (12) which states that deferred tax is provided for temporary differences, at each reporting date, between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Current tax is calculated based on taxable profits, which may differ from accounting profits appearing in the statement of profit or loss. Accounting profits may include non-taxable profits or expenses which may not be tax deductible in the current but in subsequent applicable years.

Deferred Tax Assets

Deferred tax assets are recognized for all deductible temporary differences such as unused tax expenses and losses to the extent that it is probable that taxable profit will be available against which the loses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.

(6) PROPERTY AND EQUIPMENT

	Land	Hotel's building renovations and improvements	Furniture and fixtures	Machinery and equipment	Vehicles	Fire extinguishing system	Solar System	Project in progress***	Total
2024 -	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost -									
Balance as at 1 January 2024	2,094,168	19,095,586	8,992,891	8,075,628	359,815	424,782	2,879,504	79,288	42,001,662
Additions	-	-	40,202	81,249	-	-	4,749	1,376,885	1,503,085
Transfer from project under construction	-	37,788	23,558	-	-	-	-	(61,346)	-
Disposal	-	-	(289,317)	(344,597)	-	-	-	-	(633,914)
Balance as at 31 December 2024	2,094,168	19,133,374	8,767,334	7,812,280	359,815	424,782	2,884,253	1,394,827	42,870,833
Accumulated depreciation -									
Balance as at 1 January 2024	-	13,504,842	8,488,081	7,304,889	296,130	424,782	755,492	-	30,774,216
Depreciation for the year**	-	385,258	142,375	203,877	12,089	-	144,489	-	888,088
Disposal	-	-	(289,317)	(344,570)	-	-	-	-	(633,887)
Balance as at 31 December 2024	-	13,890,100	8,341,139	7,164,196	308,219	424,782	899,981	-	31,028,417
Net book value as at 31 December 2024	2,094,168	5,243,274	426,195	648,084	51,596	-	1,984,272	1,394,827	11,842,416

* The total cost of fully depreciated property and equipment as at 31 December 2024 is JD 14,326,165 (31 December 2023: JD 13,631,630).

** The depreciation expense at 31 December 2024 is divided between depreciation of operating property and equipment of JD 872,136 (JD 982,881 for the year ended 31 December 2023) and depreciation of administrative property and equipment of JD 15,952 (JD 14,883 for the year ended 31 December 2023).

*** The project in progress represents a project to rennovate skylights, bathrooms, and hotel rooms. The total estimated cost to complete the projects is JD 4,500,000, and they are expected to be completed on 12 December 2025.

	Lands	Hotel's building renovations and improvements	Furniture and fixtures	Machinery and equipment	Vehicles	Fire extinguishing system	Solar System	Project in progress***	Total
2023 -	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost -									
Balance as at 1 January 2023	2,094,168	19,088,479	8,962,271	7,991,115	353,440	424,782	2,868,504	-	41,782,759
Additions	-	7,107	30,620	84,513	6,375	-	11,000	79,288	218,903
Balance as at 31 December 2023	2,094,168	19,095,586	8,992,891	8,075,628	359,815	424,782	2,879,504	79,288	42,001,662
Accumulated depreciation -									
Balance as at 1 January 2023	-	13,121,370	8,332,185	7,001,300	285,028	424,782	611,787	-	29,776,452
Depreciation for the year	-	383,472	155,896	303,589	11,102	-	143,705	-	997,764
Balance as at 31 December 2023	-	13,504,842	8,488,081	7,304,889	296,130	424,782	755,492	-	30,774,216
Net book value as at 31 December	2,094,168	5,590,744	504,810	770,739	63,685	-	2,124,012	79,288	11,227,446

(7) INVESTMENT IN ASSOCIATES

	Percentage of ownership		Value	
	2024	2023	2024	2023
	%	%	JD	JD
Business Tourism Company	36.217	35.516	16,656,622	17,005,050
Al Dawliyah for Hotels and Malls Company	26.91	26.91	12,682,519	12,656,261
Jordan Investor Center Company	49.99	49.99	11,404,768	13,160,221
Al Marasi Development and Management Company	21.43	21.43	102,430	121,755
Interior Design Studio Company	34	34	45,343	-
Arab International Real Estate Company	42.35	42.35	642,969	642,956
			41,534,651	43,586,243

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

Company	Company's operation
Business Tourism Company – private shareholding	Owning Company of Jordan Valley Marriot and Petra Marriott Hotel
Al Dawliyah for Hotels and Malls Company - PLC	Owning company of Sheraton Amman Hotel
Interior Design Studio Company LLC.	Hotels decorations and interior designs
Jordan Investor Center Company – private shareholding	Investments in stocks and companies
Al Marasi Development and Management Company	Managing energy projects for companies
Arab International Real Estate Company – private shareholding	Investments in land and real estate

Movement on investment in associates is as follows:

	2024	2023
	JD	JD
Balance at 1 January	43,586,243	42,338,180
Company's share of associates (losses) profits, net	(639,387)	519,494
Investment impairment - Interior Design Studio Company	(8,766)	(25,630)
Company's share of fair value reserve from investment in associates	(1,653,937)	465,169
Increase in an associate's capital	250,498	289,030
Balance at 31 December	41,534,651	43,586,243

Movement on investment in associates is as follows:

	Al Dawliyah for Hotels and Malls Company	Business Tourism Company	Jordan Investor Center Company	Interior Design Studio Company	Arab International Real Estate Company	Al Marasi Development and Management Company	Total
2024 -	JD	JD	JD	JD	JD	JD	JD
Investment in associates							
Current assets	2,180,498	4,556,500	7,254,314	497,645	97,175	381,215	14,967,347
Non-current assets	57,627,691	54,786,516	23,515,853	9,055	1,362,399	936,691	138,238,205
Current liabilities	(7,519,489)	(6,312,045)	(9,418,993)	(373,213)	(1,885)	(701,941)	(24,327,566)
Non-current liabilities	(1,783,276)	(3,000,554)	-	(124)	-	(216,500)	(5,000,454)
Equity	50,505,424	50,030,417	21,351,174	133,363	1,457,689	399,465	123,877,532
Company’s ownership %	26.91%	36.217%	49.99%	34%	42.35%	21.43%	
Investments amount	12,682,519	16,406,124	11,404,768	54,109	642,969	102,430	41,292,919
Capital increase in an associate	-	-	-	(8,766)	-	-	(8,766)
Impairment loss	-	250,498	-	-	-	-	250,498
Investment’s net amount	12,682,519	16,656,622	11,404,768	45,343	642,969	102,430	41,534,651
Results of operations							
Operating Profit (loss)	1,680,578	(530,126)	1,044,800	219,983	2,392	(32,584)	2,385,043
Administrative expenses	(968,031)	(881,453)	(533,875)	(83,945)	(2,361)	(33,381)	(2,503,046)
Finance costs	(340,817)	(172,986)	(885,834)	(14,887)	-	(24,210)	(1,438,734)
Profit (loss) for the year	371,730	(1,584,565)	(374,909)	121,151	31	(90,175)	(1,556,737)
The Company’s share of profit (loss) for the year	100,033	(573,882)	(187,417)	41,191	13	(19,325)	(639,387)

	Al Dawliyah for Hotels and Malls Company	Business Tourism Company	Jordan Investor Center Company	Interior Design Studio Company	Arab International Real Estate Company	Al Marasi Development and Management Company	Total
2023 -	JD	JD	JD	JD	JD	JD	JD
Investment in associates							
Current assets	1,807,085	5,259,138	2,413,258	381,481	96,354	486,150	10,443,466
Non-current assets	57,341,898	51,332,405	26,810,129	4,791	1,362,399	981,648	137,833,270
Current liabilities	(6,611,915)	(4,198,286)	(6,039,749)	(343,427)	(1,095)	(649,700)	(17,844,172)
Non-current liabilities	(2,129,223)	(782,967)	-	(26,153)	-	(249,900)	(3,188,243)
Equity	50,407,845	51,610,290	23,183,638	16,692	1,457,658	568,198	127,244,321
Ownership %	%26.91	%35.516	%49.99	%34	%42.35	%21.43	
Investments carrying amount	12,656,261	17,005,050	13,046,821	-	642,956	(28,245)	43,322,843
Capital increase in an associate	-	-	113,400	25,630	-	150,000	289,030
Impairment loss	-	-	-	(25,630)	-	-	(25,630)
Investment’s net carrying amount	12,656,261	17,005,050	13,160,221	-	642,956	121,755	43,586,243
Results of operations							
Operating revenues (losses)	1,678,989	2,032,514	1,133,738	98,908	2,240	(59,445)	4,886,944
Administrative expenses	(996,317)	(703,294)	(404,706)	(79,022)	(3,135)	(42,590)	(2,229,064)
Finance costs	(283,389)	(104,011)	(717,978)	(18,732)	-	(29,767)	(1,153,877)
Profit (loss) for the year	399,283	1,225,209	11,054	1,154	(895)	(131,802)	1,504,003
The Company’s share of profit (loss) for the year	107,447	435,145	5,526	-	(379)	(28,245)	519,494

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

	2024	2023
	JD	JD
Investment in companies' shares – quoted in Amman Stock Exchange	5,953,437	6,282,137
Investment in companies' shares– unquoted in Amman Stock Exchange	58,631	71,466
	6,012,068	6,353,603

Movement on the financial assets at fair value is as follows:

	2024	2023
	JD	JD
Balance at 1 January	6,353,603	5,938,017
Investment during the year	76	310,158
Change in fair value	(341,611)	105,428
Balance at 31 December	6,012,068	6,353,603

Movement on fair value reserve is as follows:

	2024	2023
	JD	JD
Balance at 1 January	(3,478,652)	(3,584,080)
Change in fair value	(341,611)	105,428
Balance at 31 December	(3,820,263)	(3,478,652)

(9) CASH AND SHORT-TERM DEPOSITS

	2024	2023
	JD	JD
Short-term deposits* (note 19)	-	182,668
Cash on hands and at banks	1,072,692	1,282,151
	1,072,692	1,464,819

* Short term deposits as at 31 December 2024 represent deposits held with local banks in Jordanian Dinar with maturities not exceeding three months, bearing an average interest rate of 4% (31 December 2023: 4%).

For the purpose of preparing the cash flow statement, the details of cash and cash equivalents are as follows:

	2024	2023
	JD	JD
Cash and short-term deposits	1,072,692	1,464,819
Less: Due to banks*	(2,410,463)	-
	(1,337,771)	1,464,819

* Due to banks represents an overdraft account with Ahli Bank with a ceiling of JD 2,000,000, bearing an average interest rate of 9.25%.

(10) Loans

Loans are categorized according to their maturity date as follows:

	2024		2023	
	Current portion of long-term loans	Long-term loans	Current portion of long-term loans	Long-term loans
	JD	JD	JD	JD
Jordan Ahli Bank – USD (1)	385,696	1,176,698	385,696	1,158,982
Jordan Ahli Bank – JD (2)	-	-	373,043	507
Jordan Ahli Bank – USD (3)	957,150	-	957,150	957,150
Jordan Ahli Bank – JD (4)	375,000	1,500,000	375,000	1,875,000
Jordan Ahli Bank – USD (5)	-	-	1,297,461	-
Jordan Ahli Bank – USD (6)	207,383	-	-	-
Jordan Ahli Bank – JD (7)	265,875	-	-	-
Jordan Ahli Bank – USD (8)	106,350	-	-	-
Jordan Ahli Bank – USD (9)	228,653	-	-	-
Jordan Ahli Bank – USD (10)	148,890	-	-	-
Jordan Ahli Bank – JD (11)	289,113	-	-	-
Jordan Ahli Bank – USD (12)	551,248	-	-	-
Arab Bank – JD (13)	500,000	1,000,000	-	-
	4,015,358	3,676,698	3,388,350	3,991,639

Jordan Ahli Bank – USD (1)

This balance represents Jordan Ahli Bank loan amounting to USD 4,200,000 (JD 2,977,800). The Company signed the loan agreement with Jordan Ahli Bank on 15 April 2015, this loan was granted against the Company's guarantee and with an average interest rate of 6.895%. The loan will be paid in 18 equal semi-annual instalments. The first instalment was due on 30 September 2017. The loan instalments for the years 2018 and 2017 were rescheduled to 2025 and 2026 while the interest will be paid every 6 months. During 2021, the Company rescheduled the loan, in which those instalments that were due in 2021 were postponed until the end of the loan life. The utilized loan balance amounted to JD 1,562,394 as at 31 December 2024 (31 December 2023: JD 1,544,678).

Jordan Ahli Bank – JD (2)

On 4 November 2015 the Company signed an energy loan agreement with Jordan Ahli Bank with a ceiling of JD 4,000,000 with an annual interest rate of 4% on daily utilized balance. The loan will be paid in 18 semi-annual instalments, the first instalment was due on 1 November 2017. The last instalment will be due on 1 May 2024. During 2021, the Company rescheduled the loan, in which those instalments that were due in 2021 were postponed until the end of the loan life. The loan has been fully settled during the year ended 31 December 2024.

Jordan Ahli Bank – USD (3)

This balance 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. This loan is guaranteed by the Company with an annual interest rate of 5.82% and is to be repaid in 10 equal semi-annual instalments. The first instalment was due on 28 February 2021, with interest payments made monthly. During 2021, the Company rescheduled the loan, postponing the 2021 instalment to the end of the loan term. The utilized loan balance amounted to JD 957,150 as at 31 December 2024 (31 December 2023: JD 1,914,300).

Jordan Ahli Bank – JD (4)

On 15 June 2020 the Company signed a funding operating expenses and salaries agreement with Jordan Ahli Bank with a ceiling of JD 3,000,000 with an annual interest rate of 3% on daily utilized balance. The loan will be paid in 16 semi-annual instalments, the first instalment will be due on 30 June 2022. The last instalment will be due on 31 December 2029. The utilized loan balance amounted to JD 1,875,000 as at 31 December 2024 (31 December 2023: JD 2,250,000).

Jordan Ahli Bank – USD (5)

On 28 December 2023, the Company signed a loan agreement with the Jordan Ahli Bank under which it was granted a loan to finance operating expenses with a ceiling of JD 1,297,470 at an interest rate of 6.143% based on the daily utilized balance. The loan balance was utilized for the first time on 28 December 2023. The loan was to be repaid in 4 quarterly instalments, with the first instalment due on 28 March 2024. The loan was fully settled during the year ended 31 December 2024. (The utilized loan balance amounted to JD 1,297,461 as at 31 December 2023).

Jordan Ahli Bank – USD (6)
On 22 February 2024, the Company signed a revolving loan agreement with Jordan Ahli Bank, under which it was granted a loan to finance operating expenses with a ceiling of USD 1,170,000 (JD 829,530) at an interest rate of 6.6% based on the daily utilized balance. A portion of the loan balance was utilized for the first time on 22 February 2024. The loan is to be repaid in 4 quarterly instalments, with the first instalment due on 22 May 2024 and the last instalment due on 23 March 2025. The utilized loan balance amounted to JD 207,383 as at 31 December 2024.

Jordan Ahli Bank – USD (7)
On 26 June 2024, the Company signed a revolving loan agreement with Jordan Ahli Bank, under which it was granted a loan to finance operating expenses with a ceiling of USD 750,000 (JD 531,750) at an interest rate of 6.14% based on the daily utilized balance. The loan balance was utilized for the first time on 26 June 2024. The loan is to be repaid in 4 quarterly instalments, with the first instalment due on 26 September 2024 and the last instalments due on 26 June 2025. The utilized loan balance amounted to JD 265,875 as at 31 December 2024.

Jordan Ahli Bank – USD (8)
On 20 August 2024, the Company signed a revolving loan agreement with Jordan Ahli Bank, under which it was granted a loan to finance operating expenses with a ceiling of USD 200,000 (JD 141,995) at an interest rate of 6.63% based on the daily utilized balance. The loan balance was utilized for the first time on 20 August 2024. The loan is to be repaid in 4 quarterly instalments, with the first instalments due on 20 November 2024 and the last instalments due on 20 August 2025. The utilized loan balance amounted to JD 106,350 as at 31 December 2024.

Jordan Ahli Bank – USD (9)
On 23 September 2024, the Company signed a revolving loan agreement with Jordan Ahli Bank, under which it was granted a loan to finance operating expenses with a ceiling of USD 430,000 (JD 304,870) at an interest rate of 6.19% based on the daily utilized balance. The loan balance was utilized for the first time on 23 September 2024. The loan is to be repaid in 4 quarterly instalments, with the first instalments due on 23 December 2024 and the last instalments due on 25 September 2025. The utilized loan balance amounted to JD 228,653 as at 31 December 2024.

Jordan Ahli Bank – USD (10)
On 17 November 2024, the Company signed a revolving loan agreement with Jordan Ahli Bank, under which it was granted a loan to finance operating expenses with a ceiling of USD 210,000 (JD 148,890) at an interest rate of 5.99% based on the daily utilized balance. The loan balance was utilized for the first time on 17 November 2024. The loan is to be repaid in 4 quarterly installments, with the first installment due on 17 February 2025 and the last installment due on 17 November 2025. The utilized loan balance amounted to JD 148,890 as at 31 December 2024.

Jordan Ahli Bank-JD (11)

On 23 September 2024, the Company signed a decreasing loan agreement with Jordan Ahli Bank, under which it was granted a loan with a ceiling of JD 5,000,000 at an interest rate of 5.8% based on the daily utilized balance. The loan is to be repaid in 10 semi-annual installments, with the first installment due on 31 December 2025 and the last installment due on 31 December 2030. The utilized loan balance amounted to JD 289,113 as at 31 December 2024.

Jordan Ahli Bank – USD (12)

On 22 December 2024, the Company signed a revolving loan agreement with Jordan Ahli Bank, under which it was granted a loan to finance operational expenses with a ceiling of USD 777,500 (JD 551,248) at an interest rate of 5.82% based on the daily utilized balance. The loan balance was utilized for the first time on 23 September 2024. The loan is to be repaid in 4 quarterly installments, with the first installment due on 22 March 2025, and the last installment due on 22 December 2025. The utilized loan balance amounted to JD 551,248 as at 31 December 2024.

Arab Bank – JD (13)

On 21 March 2024, the Company signed a decreasing loan agreement with Arab Bank, under which the company was granted a loan with a ceiling of JD 2,000,000 at an interest rate of 8.25%, based on the outstanding daily balance. The loan is to be repaid in 8 semi-annual installments, with the first installment due on 21 June 2024, and the last installment due on 21 December 2027. The outstanding loan balance as of 31 December 2024 amounted to JD 1,500,000.

Movement on the loans is as follows:

	2024	2023
	JD	JD
Balance at 1 January	7,379,989	8,925,453
Proceeds from loans	5,200,613	1,297,461
Loans repayments	(4,888,546)	(2,842,925)
Balance at 31 December	7,692,056	7,379,989

* The amount of annual payments and maturities of long term loans are as follow:

Year	JD
2026	1,455,696
2027	1,457,590
2028	388,412
2029 and thereafter	375,000
	3,676,698

(11) BONDS PAYABLE

On 6 February 2022, Arab International Hotels Company Public Shareholding Company issued 7,000 bonds through Jordan Ahli Bank with a par value of JD 1,000 and a total value of JD 7,000,000 for five years at a fixed interest rate of 5.5%. paid semi-annually. The subscribed bond balance reached to JD 4,680,000 at 31 December 2024 and 2023.

(12) RECEIVABLES AND OTHER DEBIT BALANCES

	2024	2023
	JD	JD
Trade receivables	294,278	333,930
Provision for expected credit losses*	(31,953)	(33,695)
	262,325	300,235
Amounts due from related parties (note 19)	23,299	23,299
Other debit balances	187,484	153,741
	473,108	477,275

* Movement on expected credit losses provision is as follows:

	2024	2023
	JD	JD
Balance as at 1 January	33,695	31,037
(Reversal of) provision for expected credit losses	(1,742)	2,658
Balance as at 31 December	31,953	33,695

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

	1 – 30 days	31 – 60 days	61 – 90 days	More than 91 days	Total
	JD	JD	JD	JD	JD
2024	161,872	61,158	29,245	10,050	262,325
2023	250,299	23,762	6,224	19,950	300,235

The management expects to collect all unimpaired receivables balances. It is not the practice of the Company to obtain collateral against the receivables, therefore they are unsecured.

(13) EQUITY

Paid-in capital

The Company authorized and paid-in capital amounted to JD 32,728,881 divided to 32,728,881 shares with par value of JD 1 per share as at 31 December 2024 and 2023.

Share premium

The amount accumulated in this account represents the difference between the proceeds of share issuances and the par value of the issued shares.

Statutory reserve

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

Voluntary reserve

The accumulated amounts in this account represent cumulative appropriations of 20% of the profit before income tax. The statutory reserve is available for distribution to the shareholders.

(14) Dividends distribution

The General Assembly approved in its meeting held on 17 March 2024, the distribution of dividends in the amount of JD 1,309,148 from the retained earnings as profit for investors representing 4% of the paid in capital for the results of 2023 operations.

The General Assembly approved in its meeting held on 28 March 2023, the distribution of dividends in the amount of JD 654,578 from the retained earnings as profit for investors representing 2% of the paid in capital for the results of 2022 operations.

(15) PROVISIONS AND OTHER CREDIT BALANCES

	2024	2023
	JD	JD
Due to shareholders and dividends payable	310,906	325,332
Accrued expenses	644,511	800,449
	955,417	1,125,781

(16) ADMINISTRATIVE EXPENSES

	2024	2023
	JD	JD
Salaries, wages and other benefits	458,177	438,852
Board of Directors travel and transportation expenses	89,657	92,134
Solar System	88,351	77,415
Insurance expenses	50,049	49,183
Property tax expenses	45,831	45,724
Governmental fees	26,861	28,658
Social security	13,913	19,392
Rent	19,350	19,350
Professional fees	21,705	16,398
Chairman office expenses	7,755	16,215
Vehicles expenses	16,359	15,589
Hospitality expenses	5,352	9,331
Donations	15,758	7,546
Bank charges	32,558	4,612
Advertisement expenses	2,599	3,795
Stationery and publications	2,071	1,945
Others	7,130	7,293
	903,476	853,432

(17) INCOME TAX

No income tax for the year ended 31 December 2024 has been calculated due to the excess of deductible expenses over taxable income in accordance with income tax law no. (34) of 2014 and its amendments.

Income tax has been calculated for the year ended 31 December 2023 in accordance with Income Tax Law no. (34) of 2014 and its amendments.

The Company obtained a final clearance from the Income Tax Department up to the year 2020. The tax return for the year 2023 was accepted under the sampling system.

The Company submitted its tax declarations to the Income and Sales Tax Department for the years 2021 and 2022. The submitted tax declarations have not been audited up to the date of these financial statements.

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

	2024	2023
	JD	JD
Accounting profit before tax	(1,288,979)	918,323
Less: Non-taxable income	(372,910)	(837,228)
Add: Non-deductible expenses	741,380	85,840
	(920,509)	166,935
Income tax expense for the year	-	35,056
Statutory income tax rate	20%	20%
National contribution tax	1%	1%
Effective income tax rate	-	4%

Movement on income tax provision is as follows:

	2024	2023
	JD	JD
Balance as at 1 January	26,896	-
Income tax for the year	-	35,056
Income tax for the prior years	60,505	-
Income tax paid	(85,411)	(8,160)
Balance as at 31 December	1,990	26,896

(18) BASIC AND DILUTED EARNINGS PER SHARE

	2024	2023
(Loss) profit for the year (JD)	(1,349,484)	883,267
Weighted average number of shares at end of year (share)	32,728,881	32,728,881
	Fils / JD	Fils / JD
Basic (loss) profit earnings per share*	(0/041)	0/027

* The diluted earnings per share of the (loss) profit for the year returned to the shareholders of the Company is equal to the basic earnings per share of (loss) profit for the year.

(19) RELATED PARTIES

Related parties represent Shareholders, siter companies, directors and key management personnel of the Company, companies in which they have major shareholders, and affiliate companies. 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 follows:

	2024	2023
	JD	JD
Assets:		
Bank deposits - Jordan Ahli Bank (shareholder) – (note 9)	-	182,668
Current accounts at Jordan Ahli Bank (shareholder)	1,047,964	1,260,651
Liabilities:		
Loans granted by Jordan Ahli Bank (shareholder) – (note 10)	6,192,056	7,379,989
Bonds portion owned from related parties (sister companies)	4,650,000	4,650,000
Due to banks for Ahli bank (note 9)	2,410,463	-

The other debit balances include a due from related parties as follows:

	2024	2023
	JD	JD
Due from Interior Design Studio Company (note 12)	23,299	23,299

Financial assets at fair value through other comprehensive income:

	2024	2023
	JD	JD
The Jordan Worsted Mills Company – Public Shareholding Company	2,333,187	2,494,893
El-Zay for Ready Wear Manufacturing Company	357,140	472,970
Jordan Ahli Bank	2,050,277	2,170,800

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

	2024	2023
	JD	JD
Key management salaries and benefits and Board of Directors remuneration	427,850	404,453
Interest income on deposits - Jordan Ahli Bank	6,769	16,920
Finance costs – Jordan Ahli Bank	417,123	390,844
Bonds finance costs – related parties	256,455	256,421
Dividends income	322,506	301,360
Rent expenses- Al-Izdihar Center for Trade and Investment	19,350	19,350

(20) RISK MANAGEMENT

Interest rate risk

The Company is exposed to interest rate risk on its interest-bearing assets and liabilities such as bank deposit and term loans. There is no interest rate risk associated with interest rate on bonds as it bears fixed interest rates.

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

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

Currency	Increase in interest rate	Effect on loss for the year
2024-	Basis point	JD
JD	100	36,641
USD	100	40,279
2023-		
JD	100	24,409
USD	100	47,564

2024-	Decrease in interest rate	Effect on profit for the year
Currency	Basis point	JD
JD	100	(36,641)
USD	100	(40,279)
2023-		
JD	100	(24,409)
USD	100	(47,564)

Stock price risk

The following table demonstrates the sensitivity of the fair value reserve to reasonably possible changes in stock prices, with all other variables held constant.

2024-	Change in index	Effect on equity
Index	%	JD
Amman Stock Exchange	5	297,672
	(5)	(297,672)

2023 -	Change in index	Effect on equity
Index	%	JD
Amman Stock Exchange	5	314,107
	(5)	(314,107)

Credit risk

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

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

Liquidity risk

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

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

	Less than 3 months	3 to 12 months	1 to 5 years	Total
	JD	JD	JD	JD
As at 31 December 2024				
Bonds payable	64,350	193,050	4,937,400	5,194,800
Accounts payable and other credit balances	1,517,379	-	-	1,517,379
Loans	1,105,597	2,909,760	4,320,106	8,335,463
Total	2,687,326	3,102,810	9,257,506	15,047,642
As at 31 December 2023				
Bonds payable	128,700	257,400	5,097,129	5,483,229
Accounts payable and other credit balances	1,734,669	-	-	1,734,669
Loans	616,840	3,084,200	4,317,857	8,018,897
Total	2,480,209	3,341,600	9,414,986	15,236,795

Currency risk

Most of the Company's transactions are in Jordanian Dinars and US Dollar. The Jordanian Dinar is fixed against US Dollar (1/41 USD / 1JD).

(21) FAIR VALUE FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and liabilities.

Financial assets consist of cash on hand and at banks, short term deposit, account receivable, financial assets at fair value through other comprehensive income and some other debit balances. Financial liabilities consist of accounts payable, bonds payable, due to banks, loans, and some other credit balances.

there is no material differences between the fair value of the financial assets and their book value.

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

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

The following table shows the analysis of financial instruments at fair value, according to the above-mentioned hierarchy:

	Level 1	Level 2	Level 3	Total
2024 -	JD	JD	JD	JD
Financial assets at fair value through other comprehensive income	5,953,437	-	58,631	6,012,068
2023 -				
Financial assets at fair value through other comprehensive income	6,282,137	-	71,466	6,353,603

(22) CAPITAL MANAGEMENT

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

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

Capital comprises of paid-in capital, retained earnings, statutory reserve, voluntary reserve, share premium, fair value reserve, Company’s share from change in fair value reserve from investment in associates, and is measured at JD 45,324,450 as at 31 December 2024 (31 December 2023: JD 49,978,630). The Company's current liabilities exceed its current assets by an amount of JD 6,126,396 (JD 2,935,432 as of 31 December 2023).

(23) CONTINGENT LIABILITIES

The Company is a defendant in a number of lawsuits amounting JD 29,940 as of 31 December 2024 representing legal claims related to its activities (31 December 2023: JD 47,044). The management and legal consultant believe that the provision booked is sufficient to meet the obligations that may result from these cases and claims. The Company filed a number of lawsuits amounting JD 29,960 representing legal claims related to its activities as of the date of financial statements (2023: JD 29,460).

(24) SEGMENT INFORMATION

A business segment is the Company's assets and operations engaged in providing products and services 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:

The following table represents Marriott Amman operating revenues:

	2024	2023
	JD	JD
Rooms Revenues	4,573,554	5,783,826
Food and Beverage Revenues	3,422,542	3,809,493
Other Revenues	254,620	287,090
	8,250,716	9,880,409

The following table summarizes the Segment results:

	Hotel sector	Investment in financial assets	Total
	JD	JD	JD
2024 -			
Revenues	7,776,867	218,203	7,995,070
Segment results -			
(Loss) Profit before income tax	(1,498,416)	209,437	(1,288,979)
Income tax	-	(60,505)	(60,505)
(Loss)Profit for the year	(1,498,416)	148,932	(1,349,484)
Other Segment Information			
Capital expenditures	1,503,085	-	1,503,085
Depreciation	888,088	-	888,088
2023 -			
Revenues	10,423,001	309,626	10,732,627
Segment results -			
Profit before income tax	602,524	315,799	918,323
Income tax	-	(35,056)	(35,056)
Profit for the year	602,524	280,743	883,267
Other Segment Information			
Capital expenditures	218,903	-	218,903
Depreciation	997,764	-	997,764
2024 -			
Sector assets	42,812,952	18,813,386	61,626,338
Sector liabilities	16,301,888	-	16,301,888
2023 -			
Sector assets	34,638,417	29,161,767	63,800,184
Sector liabilities	13,821,554	-	13,821,554

The Company’s net share from associates’ losses amounted to JD 639,387 for the year ended 31 December 2024 (2023: profit in the amount of JD 519,494).

(25) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

Amendments to the Classification and Measurement of Financial Instruments- Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Company is currently not intending to early adopt the Amendments.

Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to address the accounting and disclosure requirements for contracts referencing nature-dependent electricity, such as wind, solar, and hydro power. These amendments aim to provide clearer guidance on the classification, measurement, and recognition of these contracts, which are inherently variable due to their dependence on natural conditions. The changes seek to improve the consistency and comparability of financial statements by clarifying whether such contracts should be treated as financial instruments or executory contracts and how they should be measured. Additionally, the amendments enhance disclosure requirements to provide greater transparency about the risks and financial impacts associated with these contracts, thereby offering users more relevant and reliable information. This initiative supports the global transition to renewable energy by addressing the unique accounting challenges posed by nature-dependent electricity contracts.

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted but will need to be disclosed.

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

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

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

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

This standard will result in new presentation of the income statement with some new required totals, in addition to the disclosure of management-defined performance measures.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

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