



Zara Investment Holding
شركة زارة للاستثمار القابضة

22nd Annual Report 2015



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Zara Investment (Holding) Company PLC

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#ZaraGam

ZaraHolding.com



Cover Photo

A memory is comprised of several small, perhaps even unnoticeable, details that have the ability to transform a regular experience into something extraordinary – a moment that will forever be imprinted in the heart and one that is looked upon fondly time after time. It is with this mind-set that Zara Investment Holding Company has chosen to celebrate the success of one “memory influencer” from Mövenpick Jordan’s outstanding team: Mohammad Fahed Khalaf Al-Jarat, Zara Spa’s resident coffee server.

Abu Salem is arguably the most identifiable face in Zara Spa, the picturesque, globally renowned escape nestled in the magical Mövenpick Resort & Spa Dead Sea. The ever-smiling coffee guru, who is originally from the neighboring town of Sweimah, started his career with Mövenpick nearly a decade ago, making visitors and tourists from around the world feel instantly at home. As a proud father of seven, four sons and three daughters, Abu Salem generous, paternal energy has the wondrous ability to soothe even the weariest of travelers. He serves each cup of coffee with a charm that is both humbling and disarming all at once and his kind face makes him feel like an instant friend. For Abu Salem, brewing and serving coffee is a special art that requires heart, or he says in Arabic “nafas.” Each of the ingredients he uses delightfully enhances the flavor and carries great meaning. His special ingredient is cardamom, which is known in local culture to be a symbol of hospitality and generosity.

“As a proud Jordanian, hospitality comes naturally to me. I was brought up in a home where food tasted better when shared, and coffee was enjoyed more with guests. That is why I joined Zara Spa; I wanted a profession where I could enjoy being myself – a man who thrives on bringing joy to others – and I found my true calling in Mövenpick Resort & Spa Dead Sea, where every guest is treated with genuine warmth and ease,” explains Al-Jarat.

A special thanks to Mrs. Asma’a Twaissi (Om Omar) for her wonderful culinary advice and contribution to presenting a delicious taste of Jordan .

Zara Investment Holding Company PLC

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BOARD OF DIRECTORS

Sabih Taher Darwish Masri
Chairman

Khaled Sabih Taher Masri
Vice-Chairman

Kamil Abdel-Rahman Ibrahim Sadeddin
Member/Representing Al Masira Investment
Company

Isam Halim Jeries Salfiti
Member/Representing Bank Al Etihad

Haidar Izzat Rashid Touran
Member from 1/9/2015
Representing Rama Investment & Saving
Company

Sami Issa Eid Smeirat
Member till 31/8/2015
Representing Rama Investment & Saving
Company

Jamila Tawfiq Mahmoud Mahasneh
Member/Representing Social Security
Corporation

Kamal Ghareeb Abdel-Rahim Al-Bakri
Member/Representing Cairo Amman Bank

Khaled Joma Miloud Ezarzor
Member/Representing Libyan Foreign
Investments Company

**Abdel-Rahman Bin Ali Bin
Abdel-Rahman Al-Turki**
Member

Yazid Adnan Mustafa Mufti
Member

**Yassin Khalil "Mohammed Yassin"
Talhouni**
Member

Mohammad Osama Jawdat Sha'sha'a
Member

Nafez Saleh Odeh Mustafa
Member

Lina Mazhar Hassan Annab
General Manager

Ernst & Young
External Auditors

Ittqan Law Firm
Legal Advisor / Wael Karaen



Sabih Taher Darwish Masri
Chairman of the Board of Directors



MESSAGE TO OUR SHAREHOLDERS

Esteemed Ladies and Gentlemen,

Welcome to Zara Investment Holding 22nd annual meeting for the ordinary general assembly of the shareholders.

In 2015, regional political instability coupled with global economic volatility continued to weigh on the tourism sector in Jordan impacting negatively our company's year-end results. In line with the national tourism and economic indicators, we closed the year with a drop in revenues triggered by a drop in occupancy and average room rate.

Consolidated Operating Revenues of Zara dropped in 2015 by 14.5% to JD 71.2 million compared with JD 83.3 million in 2014. Profit from Operations reached JD 17.6 million, a drop of 20% over 2014. Consolidated Loss reached JD 1.6 million compared with a profit of JD 1.4 million in 2014. The decrease in revenues was triggered by a 12.5% decrease in the overall occupancy, which reached a combined rate of 49% for all of Zara hotels compared with 56% in 2014. Combined average room rate (ARR) dropped by 2.6% from JD 114 in 2014 to JD 111. In assessing 2015 performance, we were reassured to see that the drop in business of all of our hotels was in line with the markets (regions) in which we operate.

The economy of Jordan continued its positive trajectory in 2015, albeit much lower than expected. GDP growth estimates were revised down from 3% to 2.3%, a drop of 23% over 2014. The tourism sector, whose contribution accounts for 13% of GDP as well as for 7% of gross value added (GVA), also witnessed a drop during 2015. Contrary to UNWTO

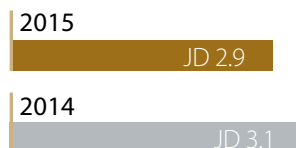
2015 growth projections of 5% in international tourists arrivals in the Middle East, arrivals in Jordan dropped by 6%; tourism revenue dropped as well by 7% from JD 3.1 billion in 2014 to JD 2.9 billion. There was an overall drop in package tours to Jordan by 31%, which drastically impacted our resorts given the heavy reliance on this segment. Various other factors impacted the decision of travelers to come to Jordan in 2015. In addition, the weakening of the Russian Ruble and the Euro against the US dollar to which the Jordanian dinar is pegged rendered the destination substantially more expensive.

In 2015, Zara continued to maintain its leading market position and share of 5-star hotels and 5-star room inventory in Jordan. We also maintained our market leadership in the number of persons employed in the hospitality sector. Employment in the 5-star hotels segment in Jordan reached 8,434 persons in 2015 of which Zara employs approximately 26%; while employment in the hospitality sector reached 48,960 in 2015 of which Zara employs approximately 4%. In 2015, we maintained our commitment to upholding the highest standards in our operations underpinned by the right culture, values, practices and behaviors. Zara was the first hospitality private sector company in Jordan to pledge and sign the UNWTO Global Code of Ethics for Tourism, declaring its commitment to

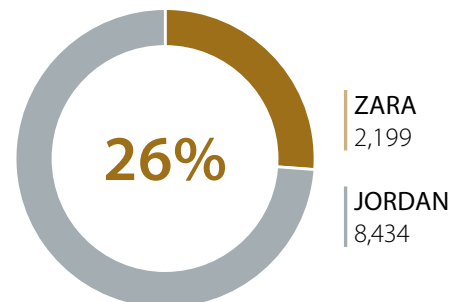
OPERATING REVENUES IN MILLIONS



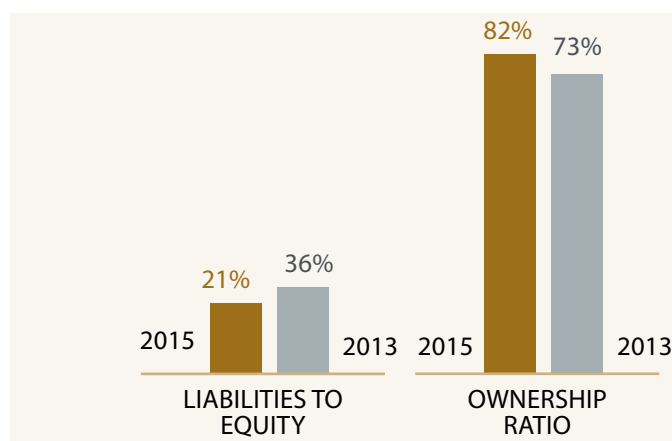
TOURISM REVENUES IN BILLIONS



EMPLOYMENT IN 5-STAR HOTELS



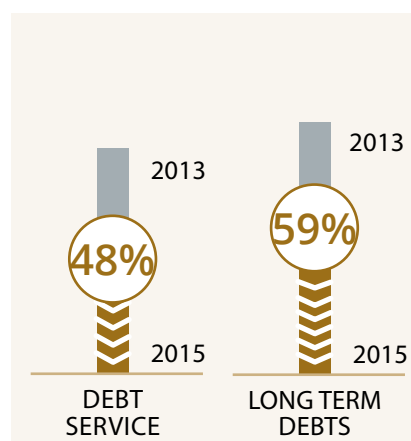
SHAREHOLDER VALUE



adhere to the principles of this code. Consistent with our belief in the importance of training and capacity building in the hospitality sector, Zara was pivotal in the training of 109 vocational trainees in Saltus Hotel through its partnership with the Vocational Training Corporation in the city of Salt, of which 29% were females. To date and since we forged our partnership with the Vocational Training Corporation through developing Saltus Hotel in 2013, Zara has contributed to the training of almost 400 trainees of which 19% are females. Moreover, our hotels provided on the job internships/training for 82 trainees, out of which 24 were hired full-time. Our emphasis on human capital and efforts to ensure that we are an employer of choice bore fruit when we were recognized by Jordan's business community as a place where innovation is key, voting us as one of the top 20 companies to work for in Jordan.

Our hotels continued to be distinguished in 2015. Hotel InterContinental Jordan, Mövenpick Resort Petra and Mövenpick Resort & Spa Tala Bay Aqaba were all ranked as number one in their respective areas in terms of revenue generation. Mövenpick Resort Petra maintained an impressive leadership position by achieving the highest revenue, gross operating profit, and average room rate in Petra. In addition, our hotels continued to be recognized by leading online travel sites and world renowned travel organizations as some of the best hotels in the region and the world. For the second year in a row, Mövenpick Resort & Spa Dead Sea won the World Luxury Hotel Award 2015 for "Luxury Hotel - Best Scenic Environment". Mövenpick Resort & Spa Tala Bay Aqaba won World Travel Awards as Jordan's Leading Resort. Zara Spa at Mövenpick Resort & Spa Tala Bay Aqaba won "World Luxury Spa Awards" for Jordan's Best Luxury Resort Spa. The Hotel was awarded TripAdvisor Traveller's Choice Award as well as TripAdvisor Certificate of Excellence Award. We were so gratified to see that all of our hotels were recognized by "King Hussein Cancer Foundation" for their contribution in the fight against cancer through sponsoring the "Room for Hope" initiative.

OUR ACCOMPLISHMENTS



Himmeh Mineral Company witnessed an extremely important development in 2015. We were delighted to see almost all impediments related to the development of the site resolved by the government. We are now in the final stages to receive clearance from governmental agencies to proceed with the project. In the meantime and during the last quarter of 2015 we began inviting potential design studios and engineering agencies in order to be fully prepared once we receive the needed clearances. This 3-star eco-resort promises to be a wonderful addition to our portfolio of hotels.

During 2015, we embarked on a comprehensive revamp of the way we manage our assets. In doing so we were agile and quick to identify and assess the disruptive and competitive changes that are impacting our business and the potential opportunities inherent in them. In adapting to these changes we revisited our business model in order to render it more efficient and relevant. Leveraging innovation and technology in ways that promote our growth and enhance our position continue to be an utmost priority for us.

In 2015 and in an attempt to replace our traditional energy sources with more cost efficient renewable energy generation ones, we finalized an agreement for a Photovoltaic (PV) system based on the recently enacted Wheeling Law. Once fully developed in 2017, this PV system is expected to meet 50% to 60% of our current electricity consumption needs while achieving our goals of switching to clean energy production sources and making substantial cost savings. After extensive evaluation of selected high-energy consuming equipment at Hotel InterContinental Jordan, we decided to replace old chillers with newer generation ones, which is expected to save 5% of the Hotel's total electricity bill and 30% of the chillers' electricity consumption. Other energy saving measures such as switching to energy saving LEDs has been ongoing for the past several years.

Advances in technology worldwide and in the hospitality sector were also closely followed by Zara. In 2015, we finalized infrastructure work to introduce cloud computing in certain functions at Zara headquarters as well as at some of our hotels. We were pleased to see that our Movenpick Hotels in Jordan were the first hotels worldwide to complete the configuration for the launch of a centralized Opera 9 Cloud Multi-Property system. Moreover in asserting our leadership in the market, we spearheaded and developed an online tool shared by all stakeholders to help us all better understand the business environment in which we operate. This tool is generated through our business intelligence system called PRIZM. Market specific reports of key performance indicators are generated on monthly basis. Today PRIZM is the primary source of historical and current hotel key indicators used by almost all major stakeholders in the 5-star industry in Jordan.

Following our strategy of reducing and streamlining our debt and its service, we finalized in 2014 the restructuring of the Company's entire debt portfolio resulting in substantial reduction in our finance costs. Over the past four years, we have managed to reduce our entire debt by 67% from JD 88.6 million ending 2011 to JD 29 million ending 2015, which once substantially reduced would eventually allow us to use realized gains for dividend distribution. Moreover and in planning for possible dire conditions in 2016, we finalized a contingent plan with local financial lending institutions to reschedule payments of principals without any penalty or additional charges.

Looking ahead, there are various encouraging signs to be optimistic about. The doom and gloom scenarios surrounding the plunge in oil prices could spell opportunity to Jordan. This is despite of the impact that this drop in prices could have on petrodollar investments in Jordan. Lower oil prices are expected to narrow the current account deficit, which should ease and offset the impact of the decline in tourism receipts. Macroeconomic performance is also expected to be satisfactory. Growth is forecasted at 3.7% in 2016, increasing to 4.5% in 2017. Inflation remains abated at historically low rates. The government of Jordan has taken a number of initiatives, such as Vision 2025, in order to tackle long-standing structural impediments to growth and higher employment. The government has also expedited the launch of various initiatives to enhance the business environment such as the investment window / one-stop-shop for investors. Other measures were also taken in order to facilitate access to credit such as the credit bureau. The announcement during the recent World Economic Forum held at the Dead Sea of various projects in Information and Communications Technologies (ICT) and mega ones in renewable energy could be also

a catalyst for enhancing growth. The tourism sector is set to benefit from all the reforms and initiatives taken to spur the economy and the business environment. With Jordan's continued commitment to economic and political reforms, its economic prospects look set to continue moving into positive territory.

Although our outlook remains positive for 2016, we will continue, as in previous years, to limit and prioritize, based on need and urgency, the execution of new capital investment projects. We will enhance the implementation of cost cutting measures through focusing on improving our efficiencies and through carefully executed cost cutting measures. Renewable and clean energy production projects will continue with a special emphasis on regulatory changes allowing us to look into electricity production through the investment in solar photovoltaic (PV) plants. Our role in and contribution to the local communities in which we operate will remain of paramount importance to us. Ensuring the success of Saltus hotel will be one of our key objectives to contribute to human resource and tourism product development in hospitality in Jordan.

For over 20 years, Zara has stood for hospitality excellence, for stability and financial solidity, for quality and reliability, and most important, for good corporate social responsibility. Our target in 2016 will be to fully embrace what we have achieved and to build on it as we move into the future. We will work towards continuing to set the benchmark in the way we welcome and serve our guests and the world around us. Our goal will be to enhance Zara's performance in the short term and to build our core business to ensure profitable growth and returns. To achieve this we will continue to reengineer and improve our business models and structures in order to ensure excellence through better management of operations.

On behalf of the board of directors, I would like to thank all of our shareholders and partners for their trust and continued support. Our gratitude also goes to all the wonderful women and men who have continuously proved us right about how amazing they are. We always felt so proud to see them demonstrate consistently the highest standards in personal integrity and professional ethics. I would also like to extend our deep appreciation and thanks to our guests who throughout the years have given us their trust and the pleasure to serve them.

Sabih Taher Masri

Chairman of the Board of Directors



الرز الحامض

#طيبات - الأردن

SOUR RICE

#ATasteOfJordan

Sour rice (RUZZ HAMEDD) dish is a popular Maani dish (city located southern Jordan) served on special occasions and feasts. It is made from Rice, Jameed, traditional ghee (سمن بلدي), onions and lentils. Name of dish comes from the delicious sour taste of Jameed.

Source: cheffindisguise.com

الرز الحامض أكلة شعبية معانية (نسبة إلى مدينة معان جنوب الأردن) تقدم في أيام العيد. جاءت التسمية بسبب حموضة الأرز من اللبن الجميد. يتم تحضير طبق الرز الحامض من الأرز واللبن الجميد والسمن البلدي والعدس الحب والبصل.

المصدر: ar.wikipedia.org



Jameed is a Jordanian food made from ewe or goat's milk. Milk is kept in a fine woven cheesecloth to make a thick yogurt. After a few days of salting the yogurt, it becomes very dense and it can be removed from the cheesecloth and shaped into round balls. Traditionally, Bedouins supplied Jordanian markets with Jameed.

Source: wikipedia.org

الجميد هو شكل من أشكال منتجات الألبان المجففة، ينتشر استخدامه في الأردن وفلسطين، خاصة من قبل البدو بسبب سهولة حفظه لفترات طويلة، وهو يعتبر المكوّن الأساسي لطبق الأردن الوطني المنسف.

المصدر: ar.wikipedia.org



OVERVIEW

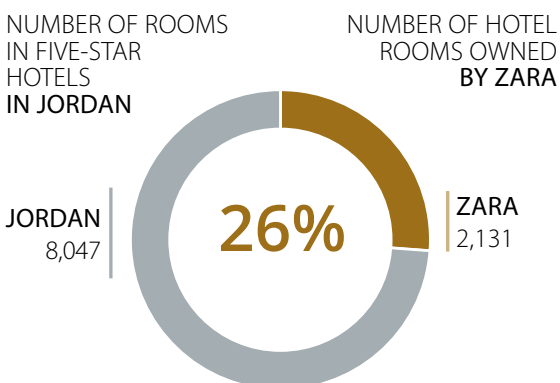
WELCOME TO ZARA INVESTMENT HOLDING 22ND ANNUAL MEETING FOR THE ORDINARY GENERAL ASSEMBLY OF THE SHAREHOLDERS

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The tourism sector, whose contribution accounts for 13% of GDP as well as for 7% of gross value added (GVA), also witnessed a drop during 2015. Contrary to UNWTO 2015 growth projections of 5% in international tourists arrivals in the Middle East, arrivals in Jordan dropped by 6%; tourism revenue dropped as well by 7% from JD 3.1 billion

in 2014 to JD 2.9 billion. There was an overall drop in package tours to Jordan by 31%, which acutely impacted our resorts given the heavy reliance on this segment. Various other factors impacted the decision of travelers to come to Jordan in 2015. The weakening of the Russian Ruble and the Euro against the US dollar to which the Jordanian dinar is pegged rendered the destination substantially more expensive.

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growth and higher employment. The government has also expedited the launch of various initiatives to enhance the business environment such as the investment window / one-stop-shop for investors. Other measures were also taken in order to facilitate access to credit such as the credit bureau. The announcement during the recent World Economic Forum held at the Dead Sea of various projects in Information and Communications technologies (ICT) and mega ones in renewable energy could be also a catalyst for enhancing growth.

and initiatives taken to spur the economy and the business environment. With Jordan's continued commitment to economic and political reforms, its economic prospects look set to continue moving into positive territory.

The tourism sector is set to benefit from all the reforms

HOTEL INDUSTRY KEY INDICATORS FOR 2015 COMPARED TO 2014

	2015	2014	Variance%
Number of overnight visitors	3,763,150	3,992,230	-5.7%
Tourism income (Million JD)	2,842	3,101	-8.4%
Average length of stay (night)	4.5	4.5	0%
Number of classified hotels	241	235	2.6%
Number of hotel rooms	20,671	19,193	7.7%
Number of beds	36,111	35,795	0.9%
Number of employees	48,960	48,351	1.3%

Source: Ministry of Tourism and Antiquities

5-STAR HOTEL KEY INDICATORS FOR 2015 COMPARED TO 2014

	2015	2014	Variance%
Number of 5-star hotels	31	31	0%
Number of 5-star hotel rooms	8,047	8,047	0%
Number of hotel rooms owned by Zara Investment Holding Company	2,131	2,131	0%
Rooms owned by Zara - % of total	26%	26%	0%

Source: Ministry of Tourism and Antiquities



رشوف

#طيبات - الأردن

RASHOUF

#ATasteOfJordan

Rashouf is a winter meal consisting of husked coarse wheat (Jareesh), liquid jameed (Marees), onions, louf (arum), lentils and some add chickpeas. It is popular all over Jordan. It is eaten with Shrak bread and Samn Baladi (ghee) melted on top.



Husk coarse wheat (**Jareesh**): is groats made from husked and crushed wheat. It comes in two forms finely and coarsely broken wheat.

الرشوف هي الأكلة الشعبية الأردنية التقليدية التي كانت تُشكل طبق المائدة الرئيسي عند العائلات الأردنية في الشمال والوسط والجنوب. تتكون من العدس وجريشة القمح والمريس والبصل واللوب. والبعض يضيف أحياناً الحمص.

تؤكل مع خبز الشراك والسمن البلدي.

الجريش هو عبارة عن قمح مجروش وليس بالمطحون، ومنه نوعان مجروش خشن ومجروش ناعم. يتم إحضار القمح وتكون حباته كاملة ويكسر الى عدة كُسر للحصول على جريش ناعم أو خشن.

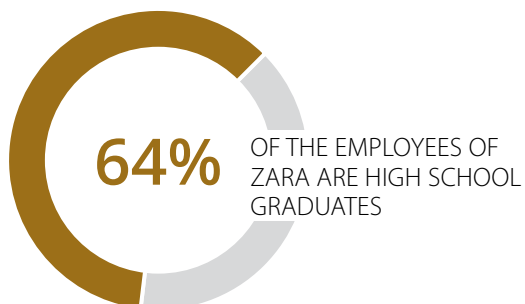
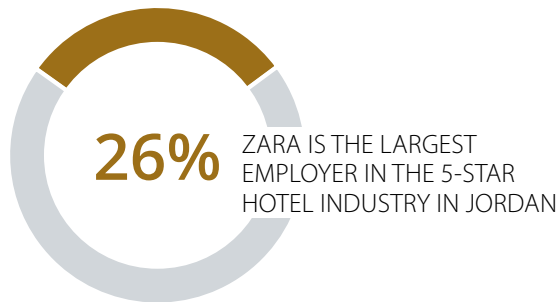


MAIN ACTIVITIES

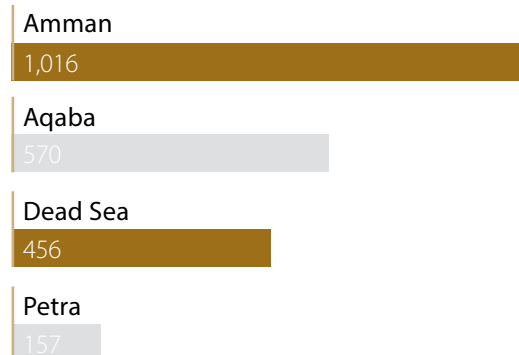
2.A MAIN ACTIVITIES OF THE COMPANY

MOTHER COMPANY	PAID-UP CAPITAL/JD	MAIN ACTIVITY	HEAD QUARTER	NO. OF EMPLOYEES
Zara Investment (Holding) Company PLC	150,000,000	Hotel, tourism and general investments	Amman	26

Consolidated total assets JD 220,599,199



ZARA EMPLOYEES



2.B SUBSIDIARIES

SUBSIDIARY	PAID UP CAPITAL /JD	MAIN ACTIVITY	HQ	SHAREHOLDING %	NUMBER OF EMPLOYEES
Zara South Coast Development Company LLC	39,425,503	Owner of Mövenpick Resort & Spa Tala Bay Aqaba	Aqaba	84.8%	303
Red Sea Hotels Company LLC	17,000,000	Owner of Mövenpick Resort & Residence Aqaba	Aqaba	100%	267
Amman Tourism Investment Company LLC	16,500,000	Owner of Grand Hyatt Amman Hotel, Hyatt Tower and Zara Center	Amman	100%	411
National Hotels and Tourism Company LLC	15,000,000	Owner of Mövenpick Resort & Spa Dead Sea	Amman	100%	456
South Coast Real Estate Development Company LLC	10,050,000	Real estate development – Aqaba South Coast (Ras Al Yammaniya), owner of 528 donum	Aqaba	82%	0
Jordan Hotels and Tourism Company PLC	10,000,000	Owner of Hotel InterContinental Jordan	Amman	51.6%	526
South Coast Hotels Company LLC	4,800,000	Real estate development – Aqaba South Coast (Ras Al Yammaniya), owner of 94 donum	Aqaba	82%	0
Nabatean Hotels Company LLC	2,800,000	Owner of Mövenpick Nabatean Castle Hotel – Petra	Amman	100%	12
Oasis Hotels Company LLC	1,600,000	Owner of tourism project – Dead Sea, owner of 34 donum	Amman	92.2%	0
Levant Hotels and Tourism Company LLC	500,000	Owner of Mövenpick Resort Petra	Amman	100%	145
Rum Hotels and Tourism Company LLC	500,000	Owner of tourism project Tybeh – Petra, owner of 66 donum	Amman	75%	0
Jordan Himmeh Mineral Company PLC	500,000	Owner of Jordan Himmeh Resort – Mukhaibeh	Amman	55.8%	4
Jordan Hotel Supplies Trading Company LLC	300,000	Owner of Souk Zara gift boutiques	Amman	100%	25
Zara Agricultural Company LLC	100,000	Landscape and nursery services – Jordan Valley	Amman	54.3%	24
Total					2,199

Neither the Holding Company nor any of its subsidiaries have any branches inside or outside of the Kingdom.

3.A NAMES OF MEMBERS OF THE BOARD WITH BRIEF INTRODUCTION

NAME	REPRESENTATIVE	POSITION	JOINED	REPRESENTATIVE APPOINTED ON
Sabih Taher Darwish Masri	-	Chairman	1999	-
Khaled Sabih Taher Masri	-	Vice Chairman	1994	-
Libyan Foreign Investments Company	Khaled Joma Miloud Ezarzor	Member	2000	16/07/2013
Social Security Corporation	Jamila Tawfiq Mahmoud Mahasneh	Member	2000	20/10/2011
Rama Investment & Saving Company	Haidar Izzat Rashid Touran	Member from 1/9/2015	2015	1/9/2015
	Sami Issa Eid Smeirat	Member till 31/8/2015	2012	25/04/2012
Bank Al Etihad	Isam Halim Jeries Salfiti	Member	1994	28/7/1994
Al Masira Investment Company	Kamil Abdel Rahman Ibrahim Sadeddin	Member	1994	14/2/2004
Cairo Amman Bank	Kamal Ghareeb Abdel Rahim Al Bakri	Member	1994	15/6/2007
Abdel Rahman Bin Ali Bin Abdel Rahman Al Turki	-	Member	2000	-
Yassin Khalil " Mohammad Yassin" Talhouni	-	Member	2000	-
Yazid Adnan Mustafa Mufti	-	Member	2000	-
Nafez Saleh Odeh Mustafa	-	Member	2003	-
Mohammad Osama Jawdat Sha'sha'a	-	Member	2008	-

DOB	DEGREE	GRAD. DATE	PROFESSION	MEMBERSHIPS
02/12/1937	B.S.c. Chemical Engineering	1963	Businessman	<ul style="list-style-type: none"> Arab Bank / Chairman
19/02/1966	M.B.A. Business Administration	1989	Businessman	<ul style="list-style-type: none"> Jordan Himmeh Mineral Company / Chairman Jordan Hotels and Tourism Company
25/04/1973	B.A. Accounting	2000	Head of Financial Analysis Department - LAFICO	
01/03/1963	M.A. Economics	1999	Assistant Manager - Social Security Corporation	
3/3/1946	PHD in Political Economy	1994	<p>Various positions in banking business at Jordan Ahli Bank</p> <p>Secretary at International Relations</p>	<ul style="list-style-type: none"> Employment-Technical and Vocational Education and Training Council Project Financing Committee in the Council Financing Committee in the Council Steering Committee for the Employment National Strategy Executive Committee of Jordan Federation Trade Union
13/04/1971	M.B.A. Business Administration	2004	VP, Jordan Telecom Group Chief Executive Officer, Orange Enterprise	
23/05/1944	B.A. Economics	1967	Businessman	<ul style="list-style-type: none"> Bank Al Etihad / Chairman Jordan Hotels and Tourism Company / Chairman
26/07/1951	High Diploma Civil Engineering	1975	Chief Executive Officer - Astra / Saudi Arabia	<ul style="list-style-type: none"> Jordan Vegetable Oil Industries Company / Chairman Jordan Express Tourist Transport Company
07/06/1969	LL.B.	1991	General Manager - Cairo Amman Bank	<ul style="list-style-type: none"> Jordan Express Tourist Transport Company Jordan Insurance Company
12/11/1931	B.A. Business Administration	1955	Businessman	
08/05/1973	B.A. Economics	1994	Businessman	<ul style="list-style-type: none"> Jordan Hotels and Tourism Company / Vice Chairman Jordan Electricity Company Cairo Amman Bank
27/03/1953	B.A. Business Administration	1976	Businessman	<ul style="list-style-type: none"> Cairo Amman Bank / Chairman Middle East Insurance Company Palestine Development and Investment Company
12/12/1934	-	-	Businessman	<ul style="list-style-type: none"> Jordan Hotels and Tourism Company
01/06/1942	High Diploma International Economics	1967	Businessman	<ul style="list-style-type: none"> Jordan Insurance Company

3.B NAMES AND POSITION OF SENIOR EXECUTIVE MANAGEMENT WITH BRIEF INTRODUCTION

Lina Mazhar Hassan Annab	General Manager	29/11/1966
NAME	POSITION	DOB
M.A. International Affairs – Georgetown University - USA	1990	1/5/2002
DEGREE	GRADUATION DATE	DOA
<ul style="list-style-type: none"> • Held several positions with multinationals in the United States and the Middle East • Board member at several private and public shareholding companies • Board member at Jordan Tourism Board (JTB) • Member of Jordan National Tourism Council • Member of the Employment-Technical and Vocational Education and Training Council (E-TVET) representing the private sector • Founding and managing member of the Jordan Trail Association (JordanTrail.org) • Founding and managing member of Sakeena for Orphans • Member of the Board of Directors at the Royal Academy of Culinary Arts • Member of the Board of Directors at Jordanian Hospitality & Tourism Education Company 		

PROFESSIONAL EXPERIENCE

Ahmad Ibrahim Mohammad Jamjoum	Chief Financial Officer	16/11/1964
NAME	POSITION	DOB
M.A. Accounting Systems and Auditing - University of Georgia, Athens - USA		
CPA - American Institute of Certified Public Accountants	1991	1/11/2008
DEGREE	GRADUATION DATE	DOA
<ul style="list-style-type: none"> • Held several financial and consulting positions with various leading local and regional corporations • Board member at Jordan Himmeh Mineral Company • Board member at Jordan Express Tourist Transport Company (JETT) 		

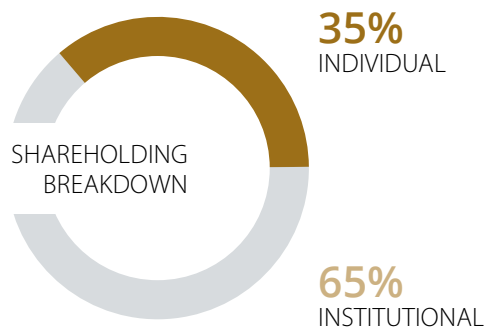
PROFESSIONAL EXPERIENCE

Haitham “Mohammad Nazih” Nureddin Hanbali	Financial Controller	31/7/1969
NAME	POSITION	DOB
M.A. Banking and Finance – Institute of Banking Studies		
CPA - American Institute of Certified Public Accountants	2013	7/1/2007
DEGREE	GRADUATION DATE	DOA
<ul style="list-style-type: none"> • Held financial consulting and auditing positions at local and regional consulting firms 		

PROFESSIONAL EXPERIENCE

4. MAJOR SHAREHOLDERS AND NUMBER OF SHARES HELD COMPARED WITH 2014

NAME	NO. OF SHARES AS OF 31/12/2015	PERCENTAGE %	NO. OF SHARES AS OF 31/12/2014	PERCENTAGE %
Al Masira Investment Company	20,097,424	13.4%	18,354,013	12.4%
Libyan Foreign Investments Company	19,539,532	13%	19,539,532	13.2%
Social Security Corporation	18,506,245	12.3%	18,506,245	12.5%
Arab Supply and Trading Corporation	11,008,354	7.3%	11,008,354	7.4%
Cairo Amman Bank	9,990,084	6.7%	9,990,084	6.7%
Al Masira International – Bahrain	8,601,804	5.7%	8,601,804	5.8%
Mohammed Bin Abdel Rahman Bin Hamad Al Sheik	6,000,000	4.0%	6,000,000	4.0%
Abdel Rahman Bin Ali Bin Abdel Rahman Al Turki	6,000,000	4.0%	6,000,000	4.0%





إخميعا

#طيبات - الأردن

KHMEI'A

#ATasteOfJordan

Khmei'a is made out of Shrak bread cut and immersed in hot milk with sugar and Samn baladee (traditional ghee) spread on top. Almonds and pine nuts are sprinkled as well for garnishing. In the age of globalization some like to endearingly refer to it as the "corn flakes of the Bedouins".

إخميعا هي أكلة شهية يُحب أن يشير إليها البعض مثل أبو أحمد من المفرق بـ "كورن فلكس البدو".

تعد الإخميعا بفت خبز الشراك (قرص النار) بالحليب المغلي ويرش بالسكر والسمن البلدي ويرش عليه اللوز والصنوبر للتزيين.

المصدر: حتر، ناهض، وأبو ليل، أحمد (٢٠١٤). المعزّب رباح (طا. ص ٤٣٢). بيروت: مؤسسه الانتشار العربي.



Traditional Ghee (Samn Baladi). Samn Baladi is a yellowish colored ghee prepared by continuously boiling clarified butter made from goat or ewe milk. Jereesh (husked coarse wheat) and bulgur are sometimes added and then removed from the mix in order to help absorb liquid in the butter. Samn Baladi has a nutty delicious and very particular taste thanks to the spices that are added to it, such as shih, turmeric, saffron, and Trigonella.

Samn Baladi and Jameed remain the favored taste of the Jordanian cuisine.

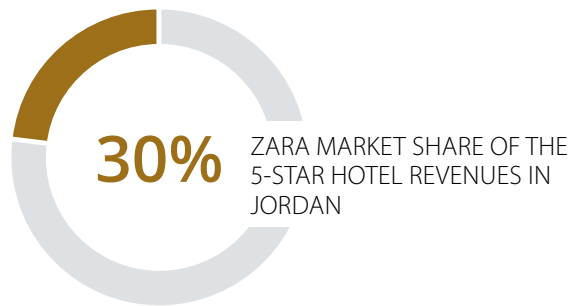
السمن البلدي يُحضّر عن طريق غلي الزبدة ويضاف الجريشة والبرغل لامتصاص الماء والشوائب من الزبدة. للسمن البلدي طعم لذيذ بفضل الأعشاب والتوابل التي تُضاف لها مثل الحندقوق والفيجل والبسباس والسمنة والحلبة الحب والعصفر والكركم وأعشاب أخرى حسب المنطقة.

المصدر: حتر، ناهض، وأبو ليل، أحمد (٢٠١٤). المعزّب رباح (طا. ص ٤٥٨). بيروت: مؤسسه الانتشار العربي.



COMPANY'S COMPETITIVE POSITION

**LARGEST OWNER
OF 5-STAR HOTELS**



5. COMPANY'S COMPETITIVE POSITION

Zara Investment (Holding) Company is the largest owner of luxury 5-star hotels in Jordan with strategic locations in Amman, Dead Sea, Petra, and Aqaba. Zara owns seven 5-star hotels with a combined total of 2,131 rooms. Our company enjoys the leading position of being one of the top investment companies in Jordan in the hospitality sector, capturing 30% market share of the 5-star hotel revenues in Jordan. Our market leadership is also manifested in relation to Zara's paid up and registered capital, and net book value of property and equipment which stand at JD 150 million / share and JD 177.7 million respectively as of 31/12/2015.

All of the hotels of the Company are managed by renowned international management companies, namely the Intercontinental Hotels Group (IHG), Hyatt International, and the Mövenpick Hotels and Resorts (MHR). The affiliation with such reputable

operators enables the properties of Zara to compete on both the local and international levels.

During 2015, all of properties of Zara maintained their leadership position in the market. The Hotel InterContinental Jordan achieved the highest revenues and operating profit in Amman. Mövenpick Resort Petra achieved the highest revenues and operating profit in Petra despite the steep decline in number of visitors by 50%.

6. RELIANCE ON SPECIFIC LOCAL OR FOREIGN SUPPLIERS OR MAJOR CUSTOMERS

The Company does not rely on specific local or foreign suppliers or major customers for more than 10% of its total procurements and/or sales.

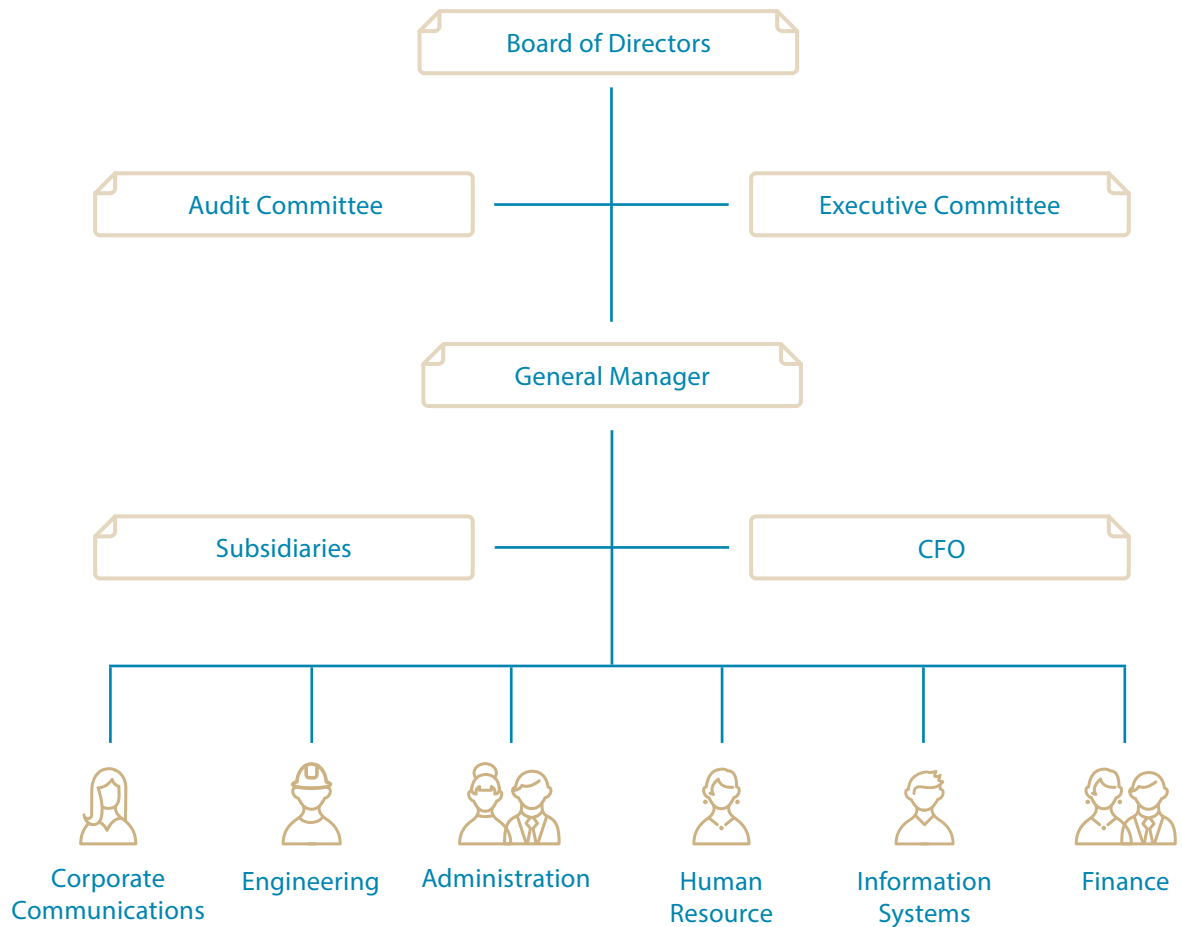
7. GOVERNMENT PROTECTION OR PRIVILEGES ENJOYED BY THE COMPANY

There are no government protection measures, nor privileges enjoyed by the Company or any of its products / subsidiaries in accordance with legal regulations.

8. GOVERNMENT OR INTERNATIONAL ORGANIZATIONS MEASURES WITH MATERIAL IMPACT ON THE COMPANY'S ACTIVITIES, PRODUCTS, OR COMPETITIVENESS

All of the hotels and resorts owned by Zara have benefited from the exemptions stipulated in the Investment Promotion and Special Economic Zone Laws. These exemptions cover duties and taxes on procurements of furniture, fixtures and equipment (FF&E) required for refurbishment and renovation purposes.

9.A ORGANIZATION STRUCTURE



9.B NUMBER OF COMPANY EMPLOYEES AND QUALIFICATIONS

COMPANY	PHD	MASTERS	HIGHER DIPLOMA	BACHELORS	DIPLOMA	HIGH SCHOOL	TOTAL NUMBER OF EMPLOYEES
Zara Investment Holding Company PLC	-	3	-	15	2	6	26

SUBSIDIARIES

Zara South Coast Development Company LLC	-	-	-	94	117	92	303
Red Sea Hotels Company LLC	-	-	-	31	60	176	267
Amman Tourism Investment Company LLC	-	1	-	54	77	279	411
National Hotels and Tourism Company LLC	-	1	-	55	40	360	456
South Coast Real Estate Development Company LLC	-	-	-	-	-	-	-
Jordan Hotels and Tourism Company PLC	-	2	1	116	85	322	526
South Coast Hotels Company LLC	-	-	-	-	-	-	-
Nabatean Hotels Company LLC	-	-	-	1	1	10	12
Oasis Hotels Company LLC	-	-	-	-	-	-	-
Levant Hotels and Tourism Company LL	-	-	-	19	4	122	145
Rum Hotels and Tourism Company LLC	-	-	-	-	-	-	-
Jordan Himmeh Mineral Company PLC	-	-	-	-	-	4	4
Jordan Hotel Supplies Trading Company LLC	-	-	-	8	3	14	25
Zara Agricultural Company LLC	-	-	-	-	-	24	24
Total	-	7	1	393	389	1,409	2,199

9.C QUALIFICATION AND TRAINING PROGRAMS FOR COMPANY EMPLOYEES

COURSE DESCRIPTION	NUMBER OF EMPLOYEES		
Soft Skills	2126	Off-Job and On-Job Training Skills	33
Digital Marketing & Media Communications workshop	25	eCornell Online Courses	10
Revenue Management Training in Sales & Reservation Program	1097	ELearning Training System MHR	75
Revenue Academy Training	25	Internship for Students – Royal Academy	7
Good Manufacturing Practices, Food Safety and Chemical Application	512	Data Privacy	420
Key Essentials of Personal Hygiene & Food Safety	430	Excellence in Managing Performance	46
My Learning Tool	28	Financial Statements Awareness	35
New Manager Development	79	Security Awareness and Basic Safety Procedures	636
Hiring and Welcoming New Employees program (Orientation)	1014	Housekeeping Management	6
Quality Service Standards	224	Wine Knowledge and Service	50
Purpose and Brand Workshop	38	Human Resources Workshop	1
4 Corner Stones and Brand Promise	151	Lobster Ink Online Learning	61
Internal Cross Training	22	Lessons in Management Leadership	147
F&B Selling Techniques	246	Making the most my Performance Review	248
Handling Guest Complaints	35	At Your Side Refresher	55
Arabic language& Secretarial Programs in Arabic	20		
Pulse Awareness Session	60	Total	9,402
Coaching for Excellence	12		
Complaint Handling - Restoring the Trust - Employees	162		
Computer Skills	68		
Discovery Program	126		
Green Key for Energy Conservation and Environmental Training	1072		

10. RISKS

The Company does not foresee any risks that may have a material impact on its operations during the coming fiscal year.



مقرّطة

#طيبات - الأردن

MQARRATTA

#ATasteOfJordan

Mqarratta (Rqaqa in Wadi Mousa) is a noodle-like dish. It is made out of dark wheat dough that is rolled into sheets and then cut into thick flat noodles. It is then cooked in marees (liquid Jameed) and samn balladi. Some add lentils to the mixture.

مقرّطة (تُسمى الرقاقة في وادي موسى) تُصنع من عجينة القمح التي تُرق وتُقطع على شكل خيوط ثم تُطبخ بالمريس (جميد سائل) وبعد أن تُطبخ يُضاف إلى الخليط السمن البلدي. البعض يضيف العدس إلى الخليط.

المصدر: [wikipedia.org](https://www.wikipedia.org)



Traditional Jordanian cuisines relied heavily on Samn Baladi and Jameed, two milk products, which cannot be replaced by packaged butter or vegetable oil if the authentic flavor of the Jordanian a dish is to be experienced.

Source: Hourani, Cecil. Jordan: *The Land & The Table* (P29). London: Elliott & Thompson

تعتمد المأكولات الأردنية الأصيلة على منتجين من الألبان وهما السمن البلدي والجميد. والذي لا يمكن تعويضهما باستعمال المنتجات التجارية مثل الزيوت والدهون النباتية في الحصول على الطعم الأصلي للطبق.



COMPANY'S ACHIEVEMENTS IN 2015

ZARA INVESTMENT (HOLDING) COMPANY

- Finalized the agreement for a Photovoltaic (PV) system based on the recently enacted Wheeling Law. This PV system is expected to meet 50% to 60% of our operations' current electricity consumption needs.
- Zara was the first hospitality private sector company to pledge and sign the UNWTO Global Code of Ethics for Tourism, declaring its commitment to adhere to the principles of this code.
- Assisted in the training of 109 trainees of which 32 are females through its partnership with the Vocational Training Corporation (VTC) at Saltus hotel in the city of Salt.
- Restructured the Asset Management function to optimize the operational performance of its properties.
- Incorporated cloud computing into various components of its information systems.
- Distributed Ramadan parcels in underprivileged communities.
- Zara Investment Holding Company was voted as one of the top 20 companies recommended to work for in Jordan.

AMMAN TOURISM INVESTMENT COMPANY, OWNER OF GRAND HYATT AMMAN HOTEL (GHA), HYATT TOWER AND ZARA CENTER

- Adopted one of the local government hospitality schools in Amman by training their hospitality students at hotel and by refurbishing their hospitality section to make it more applicable for the students.
- Switched lighting of key areas at the hotel and at Zara Center to energy-saving LEDs.
- Renewed ISO 22000 Food Safety Management System certificate.
- Completed soft renovation for lobby area.
- Improved various safety and security measures at the hotel and at Zara Center.
- Honoured by King Hussein Cancer Foundation for sponsoring the "Room for Hope" initiative.
- Hosted "Pink High Pink Tea" to raise Breast Cancer Awareness.
- Hosted Ramadan Iftar for 100 orphans.
- Celebrated Palm Sunday and Christmas with the kids under the care of Mar Mansour Charitable Society.
- Members of the staff at GHA ran the Dead Sea Ultra Marathon and Amman Marathon to promote and raise awareness on national causes, such as King Hussein Cancer Foundation and the Smoke-Free Society.
- Members of the staff at GHA participated in the 'Dead To Red' Cycling Race which is an annual event with its net profits invested back in the local community in building football pitches in villages along the Jordan valley.



JORDAN HOTELS AND TOURISM COMPANY, OWNER OF HOTEL INTERCONTINENTAL JORDAN (HIJ)

- Finalized the tendering process to switch and replace the hotel's cooling system (chillers) into more energy-saving and environmentally-friendly solution to be completed in 2016.
- Upgraded the back of house software to implement the latest edition of Uniform System of Accounts for the lodging industry.
- Upgraded the point of sale system in compliance with Payment Card Industry (PCI).
- Upgraded the equipment and gym facility.
- Won 24 medals at HORECA 2015.
- Finalized the design for a comprehensive soft renovation of the lobby area, to be completed in 2016.
- Renewed ISO 22000 Food Safety Management System certificate.
- Honoured by King Hussein Cancer Foundation for sponsoring the "Room for Hope" initiative.
- Improved various safety and security measures at the hotel.
- Catered the prestigious World Economic Forum event held at the Dead Sea.
- Adopted an innovative culinary concept developed by InterContinental Hotels Group Asia, Middle East & Africa.
- Distributed Ramadan parcels in underprivileged communities.
- Received Green Engage Certification – Level 4.
- Renewed the Green Key Certification.



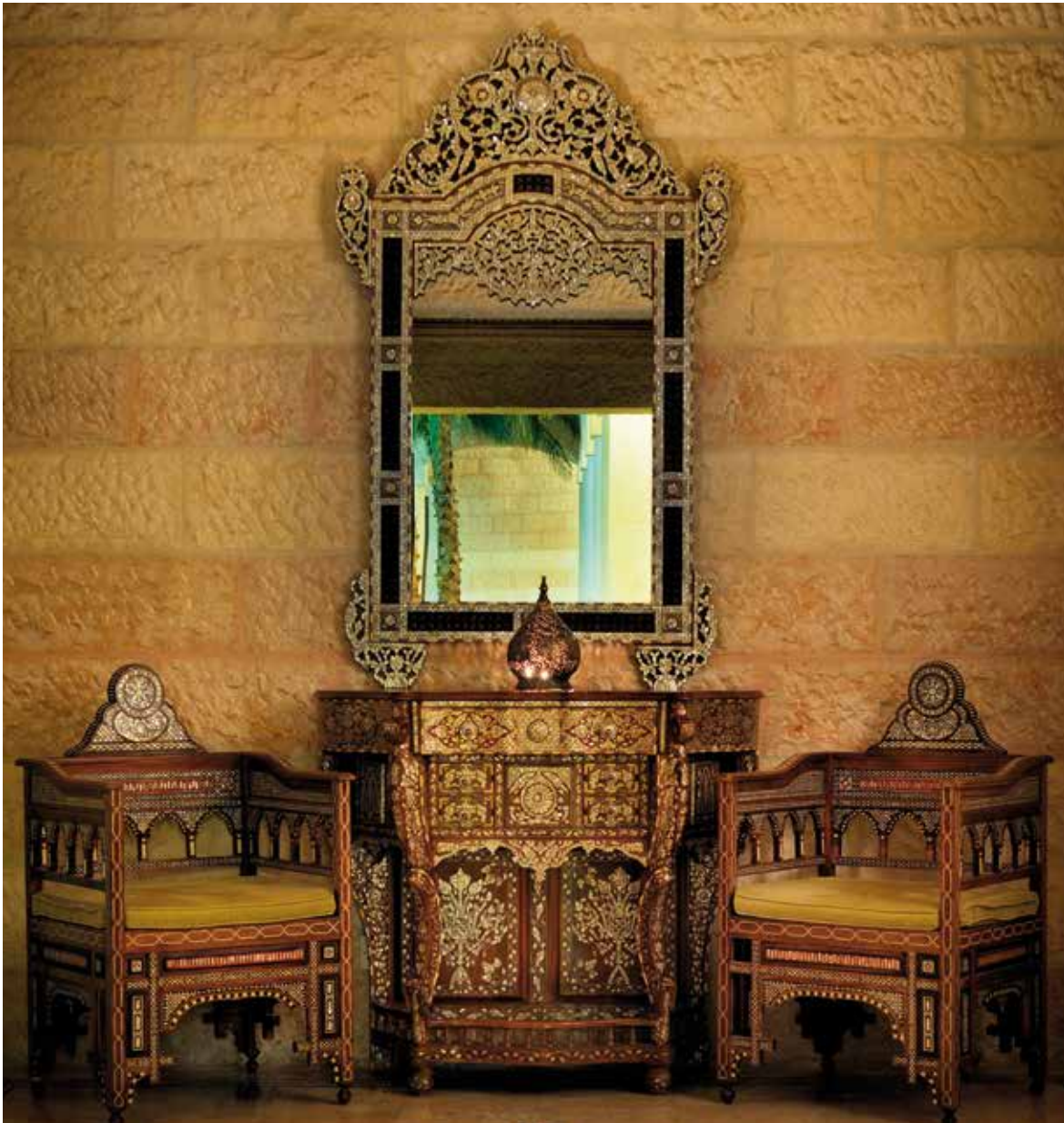


NATIONAL HOTELS AND TOURISM COMPANY, OWNER OF MÖVENPICK RESORT & SPA DEAD SEA

- Completed state of the art main and pastry kitchen renovation to enable the hotel to consistently deliver premium services and unique Food and Beverage (F&B) experience to its guests.
- For the second year in a row, Mövenpick Resort & Spa Dead Sea won the World Luxury Hotel Award 2015 for "Luxury Hotel - Best Scenic Environment".
- Won LUX 2015 Hotel & Spa Awards and named; LUX Resort of the Year.
- Won the 'Luxury Garden Resort' category from the World Luxury Hotel Awards 2015.
- Hosted press and bloggers' trips.
- The first hotel worldwide to complete the configuration for the launch of a centralized Opera 9 Cloud Multi-Property system in Jordan (Cluster).
- Renewed the Green Globe certification 2015.
- Renewed ISO 22000 Food Safety Management System certificate.
- Honoured by King Hussein Cancer Foundation for sponsoring the "Room for Hope" initiative.
- Improved various safety and security measures at the hotel.

LEVANT HOTELS AND TOURISM COMPANY, OWNER OF MÖVENPICK RESORT PETRA

- Hosted various activities for the community based development.
- Performed maintenance works for the adapted school in Wadi Mousa.
- Hosted press and bloggers' trips.
- Awarded a TripAdvisor Certificate of Excellence Award and Zoover Silver Award.
- The first hotel worldwide to complete the configuration for the launch of a centralized Opera 9 Cloud Multi-Property system in Jordan (Cluster).
- For the fifth year, the hotel received Green Globe certification.
- Renewed ISO 22000 Food Safety Management System certificate.
- Honoured by King Hussein Cancer Foundation for sponsoring the "Room for Hope" initiative.
- Improved various safety and security measures at the hotel.





ZARA SOUTH COAST DEVELOPMENT COMPANY, OWNER OF MÖVENPICK RESORT & SPA TALA BAY AQABA

- Hosted various activities for the community based development.
- Mövenpick Resort & Spa Tala Bay Aqaba won World Travel Awards as Jordan's leading resort.
- Awarded World Luxury Spa Awards for ZARA Spa Tala Bay.
- Awarded Luxury Travel Guide's Luxury Contemporary Resort in Jordan.
- Awarded Zoover's Gold Award for Jordan.
- Awarded World Travel Awards Middle East: Jordan's Leading Resort 2015.
- Awarded TripAdvisor Traveller's Choice Award
- Awarded a TripAdvisor Certificate of Excellence Award.
- Competed the expansion of state-of-the-art gym to enhance the guest experience at the resort.
- Switched lighting of key areas in the hotel to energy-saving LEDs.
- The first hotel worldwide to complete the configuration for the launch of a centralized Opera 9 Cloud Multi-Property system in Jordan (Cluster).
- For the fifth year, the hotel received Green Globe certification.
- Renewed ISO 22000 Food Safety Management System certificate.
- Honoured by King Hussein Cancer Foundation for sponsoring the "Room for Hope" initiative.
- Improved various safety and security measures at the hotel.

RED SEA HOTELS COMPANY, OWNER OF MÖVENPICK RESORT & RESIDENCE AQABA

- Organized in-kind donation campaign for local charities.
- Switched lighting of key areas in the hotel to energy-saving LEDs.
- The first hotel group worldwide to complete the configuration for the launch of a centralized Opera 9 Cloud Multi-Property system in Jordan (Cluster).
- For the fifth year, the hotel received Green Globe certification.
- Renewed ISO 22000 Food Safety Management System and HACCP certificate.
- Honored by King Hussein Cancer Foundation for sponsoring the “Room for Hope” initiative.
- Improved various safety and security measures at the hotel.



JORDAN HIMMEH MINERAL COMPANY, OWNER OF JORDAN HIMMEH RESORT – MUKHAIBEH

- Initiated all necessary preparations for developing a 3-star eco-resort currently pending government clearance and permits

12. FINANCIAL IMPACT OF NON-RECURRING TRANSACTIONS THAT OCCURRED DURING THE FISCAL YEAR AND DO NOT FALL WITHIN THE MAIN ACTIVITIES OF THE COMPANY

There is no financial impact of non-recurring transactions that occurred during the fiscal year and do not fall within the main activities of the Company.

13. CHRONOLOGICAL ORDER OF REALIZED PROFITS (LOSSES), DIVIDENDS, EQUITY ATTRIBUTABLE TO SHAREHOLDERS, AND SHARE PRICE FOR THE YEARS 2011 THROUGH 2015

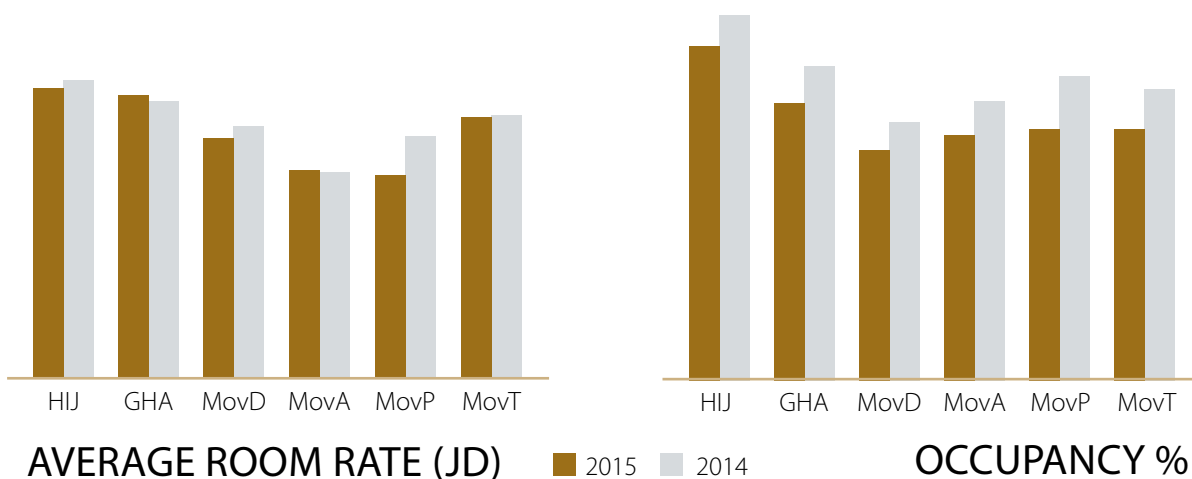
	2015	2014	2013	2012	2011
Profit (loss) realized	(2,349,766)	464,061	(1,257,738)	1,155,761	(867,718)
Dividends	-	-	-	-	-
Equity attributable to shareholders	159,847,794	162,993,165	167,198,311	169,435,715	146,323,274
Share price JD	0.50	0.64	0.54	0.79	1.05

14. ANALYSIS OF COMPANY'S FINANCIAL POSITION AND RESULTS OF OPERATIONS DURING FISCAL YEARS 2015 AND 2014

DESCRIPTION	2015 %	2014%
Return on Investments	-0.74	0.59
Return on Equity	-0.90	0.76
Return on Paid-in Capital	-1.09	0.94
Profit Margin	-2.29	1.67
Earnings Before Tax (EBT) to Operating Revenues	-1.38	2.60
Ownership Ratio	81.85	77.75
Equity to Loans	587.07	447.49
Loans to Assets	13.94	17.37
Property & Equipment to Equity	98.39	102.82
Current Liability to Assets	10.41	9.92
Liabilities to Assets	18.15	22.25
Liabilities to Equity	22.17	28.62
Current Liabilities to Equity	12.72	12.76
Long-Term Loans to Equity	9.39	15.78
Operating Revenues to Equity	39.44	45.32
Operating Revenues to Assets	32.28	35.24
Current Ratio	98.73	104.78

Following are the key indicators of the Company's hotels for 2015 compared to 2014:

HOTEL	NUMBER OF ROOMS	OCCUPANCY %		AVERAGE ROOM RATE (JD)		OPERATING REVENUES (JD)	
		2015	2014	2015	2014	2015	2014
		Hotel InterContinental Jordan	450	64	70	126	129
Grand Hyatt Amman	316	53	60	123	120	13,607,281	15,176,245
Hyatt Tower	90	49	68	169	168	1,501,816	2,086,696
Mövenpick Resort & Spa Dead Sea	362	44	50	104	109	10,920,887	13,234,727
Mövenpick Resort & Residence Aqaba	332	47	53	90	89	6,656,188	8,000,133
Mövenpick Resort Petra	183	48	58	88	104	4,747,617	6,656,379
Mövenpick Nabatean Castle Petra	92	-	13	-	47	-	343,375
Mövenpick Resort & Spa Tala Bay Aqaba	306	48	56	113	114	9,781,658	11,692,959
Total	2,131	49	56	111	114	70,719,594	82,705,833



1. The consolidated statement of financial position indicates that total assets as of 31/12/2015 totaled JD 220,599,199 compared with JD 235,485,133 as of 31/12/2014, representing a decline of 6.3%.
2. The equity attributable to the shareholders of the Company as of 31/12/2015 totaled JD 159,847,794 compared with JD 162,993,165 as of 31/12/2014, representing a decline of 1.9%.
3. The consolidated statement of profit or loss indicates that operating revenues for 2015 totaled JD 71,217,039 compared with JD 83,262,182 for

- 2014, representing a decline of 14.5%.
4. The consolidated expenses including, finance costs, depreciation, and administration expenses for 2015 totaled JD 19,555,469 compared with JD 21,196,037 for 2014, representing a decline (improvement) of 7.7%.
5. The consolidated loss attributable to the shareholders of the Company for 2015 totaled JD 2,349,766 compared with a profit of JD 464,061 for 2014, representing a decline of 606%.



Mövenpick Resort & Spa Dead Sea



COMPANY'S OUTLOOK FOR 2016

MAINTAIN OUR LEADERSHIP POSITION IN THE MARKET

1. We will embark on the room and suite renovation program at the Mövenpick Resort & Spa Dead Sea.
2. We will embark on a renovation program for the Hyatt Tower Apartments.
3. We will complete the replacement of Hotel InterContinental Jordan's cooling system (chillers) into more energy-saving and environmentally-friendly solution.
4. We will proceed with implementing the agreement for a Photovoltaic (PV) system based on the recently enacted Wheeling Law. This PV system is expected to meet 50 % to 60% of our operations' current electricity consumption needs.
5. We will improve our profitability and operating efficiency by continuing the development and application of clean production projects.
6. We will implement the restructuring of the Asset Management function at Zara to optimize the operational performance of our properties.
7. We will consistently monitor debt restructuring to minimize financing costs.
8. We will improve our cost control measures through the application of smart monitoring business intelligence analytical tools that are designed according to best practice in the hospitality industry.
9. We will continue to actively pursue cooperation with potential local, regional, and international investors to forge viable partnerships in Jordan.
10. We will closely cooperate with the Vocational Training Corporation in operating and monitoring Saltus Hotel, the Zara-refurbished first of its kind vocational training hotel in Jordan.
11. We will continue with our pledge to adhere to the principles of the UNWTO Global Code of Ethics for Tourism for the private sector.
12. We will institutionalize our community-based activities and programs aimed at enabling and empowering the residents of the communities in which we operate.
13. We will continue cooperating with various players in the public and the private sectors in initiatives to improve the quality of the service delivery in our industry.

16. AUDIT FEES PAID BY THE COMPANY AND ITS SUBSIDIARIES AND FEES RECEIVED BY OR DUE TO AUDITORS FOR OTHER SERVICES

COMPANY	FEES JD
Zara Investment (Holding) Company PLC	12,528
Zara South Coast Development Company LLC	12,000
Red Sea Hotels Company LLC	13,300
Amman Tourism Investment Company LLC	16,600
National Hotels and Tourism Company LLC	14,200
South Coast Real Estate Development Company LLC	2,000
Jordan Hotels and Tourism Company PLC	18,000
South Coast Hotels Company LLC	2,000
Nabatean Hotels Company LLC	7,000
Oasis Hotels Company LLC	2,320
Levant Hotels and Tourism Company LLC	12,800
Rum Hotels and Tourism Company LLC	2,320
Jordan Himmeh Mineral Company PLC	4,500
Jordan Hotel Supplies Trading Company LLC	2,250
Zara Agricultural Company LLC	2,000
Total	123,818

17.A NUMBER OF SHARES HELD BY MEMBERS OF THE BOARD

NAME	POSITION	NATIONALITY
Sabih Taher Darwish Masri	Chairman	Jordanian
Khaled Sabih Taher Masri	Vice chairman	Jordanian
Libyan Foreign Investments Company, represented by Khaled Joma Miloud Ezarzor	Member	Libyan
Social Security Corporation, represented by Jamila Tawfiq Mahmoud Mahasneh	Member	Jordanian
Rama Investment and saving Company, represented by Haidar Izzat Rashid Touran	Member from 1/9/2015	Jordanian
Sami Issa Eid Smeirat	Member till 31/8/2015	Jordanian
Bank Al Etihad, represented by Isam Halim Jeries Salfiti	Member	Jordanian
Al Masira Investment Company, represented by Kamil Abdel Rahman Ibrahim Sadeddin	Member	Jordanian
Cairo Amman Bank, represented by Kamal Ghareeb Abdel Rahim Al Bakri	Member	Jordanian
Abdel Rahman Bin Ali Bin Abdel Rahman Al Turki	Member	Saudi
Yassin Khalil Mohammad Yassin Talhouni	Member	Jordanian
Yazid Adnan Mustafa Mufti	Member	Jordanian
Nafez Saleh Odeh Mustafa	Member	Saudi
"Mohammad Osama" Jawdat Sha'sha'a	Member	Jordanian

NUMBER OF SHARES AS OF	NUMBER OF SHARES AS OF	CONTROLLED COMPANIES	NUMBER OF SHARES HELD BY CONTROLLED COMPANIES AS OF	
			31/12/2015	31/12/2014
2,046,000	2,046,000	<ul style="list-style-type: none"> • Arab Supply and Trading Corp. • Astra Investment Co. • Al Masira Investment Co. • Al Masira International-Bahrain 	11,008,354 12,000 20,097,424 8,601,804	11,008,354 12,000 18,354,013 8,601,804
2,076,000	2,076,000	None	None	None
19,539,532	19,539,532	None	None	None
18,506,245	18,506,245	None	None	None
10,000	10,000	None	None	None
10,000	10,000	None	None	None
150,000	108,300	None	None	None
20,097,424	18,354,013	None	None	None
9,990,084	9,990,084	None	None	None
6,000,000	6,000,000	None	None	None
4,141,188	4,141,188	<ul style="list-style-type: none"> • National Development and Supply Co. • Levant Investments Co. 	200,000 1,462,500	200,000 1,462,500
30,000	30,000	None	None	None
600,000	600,000	None	None	None
13,020	13,020	None	None	None



أقراص العيد

#طيبات - الأردن

OLIVE OIL BREAD

#ATasteOfJordan

Olive oil bread (كُحك بالزيت) or **Aqrass El-Eid** (اقراص العيد) is a popular bread in the middle east. It is usually made in the olive pressing season to celebrate the fresh olive oil and a sweetened version of it is made in Eid (religious holiday) as a dessert served to friends and family.

What makes this bread special is the combination of seeds (sesame, Nigella and anise seeds), spices (mah2lab, ground anise and ground fennel) and olive oil. The seeds add texture and little bursts of flavor when you bite into them. While the olive oil adds a nutty rich flavor and a beautiful yellowish hue. The characteristic pattern that sets this bread apart comes from the hand carved wooden molds traditionally used in making this bread.

Source: cheffindisguise.com

أقراص العيد (كُحك أصفر، كُحك العيد وفي العقبة يُسمى بالفطير العقباوي).

تُجهز عجينة رخوة ومخمرة وذلك من طحين القمح والعصفر وحبّة البركة والسّمسم واليانسون والشومر والمحبّ والسكر. تُعجن بالحليب والزيت أو السمن وتُشكل على شكل أقراص باليد أو باستخدام قالب خشبي مزخرف. ثم تُخبز في فرن الطابون أو الفرن العادي.

المصدر: حنر، ناهض، وأبو ليل، أحمد (٢٠١٤). المعزّب رباح (طا). ص٤٣٤. بيروت: مؤسسه الانتشار العربي.



Black seed (*Nigella sativa*) are known as the "seeds of blessing." For the Arabs, black seed is not only a food but also a valued traditional remedy. It has served as an important health and beauty aid for thousands of years.

The great physician Ibn Sina (980–1037), better known as Avicenna, stated that black seed works as an expectorant, stimulates the body's energy and helps overcome fatigue and dispiritedness.

Source: amazingherbs.com

حبّة السوداء هي واحدة من أعشاب توابل الطهي تُستخدم للتبيل والطهي لتكسبه الطعم الشهّي.

استُخدمت منذ القدم لما لها من فوائد صحيّة وجمالية ولذلك يطلق عليها اسم حبّة البركة

وذكر الطبيب الكبير ابن سينا (٩٨٠-١٠٣٧) حبّة البركة كعلاج للعديد من الأمراض الصحيّة وللوصفات التجميلية.

المصدر: www.aljazeera.net

17.B NUMBER OF SHARES HELD BY SENIOR EXECUTIVE MANAGEMENT

NAME	POSITION	NATIONALITY	NUMBER OF SHARES AS OF 31/12/2015	NUMBER OF SHARES AS OF 31/12/2014	CONTROLLED COMPANIES	NUMBER OF SHARES HELD BY CONTROLLED COMPANIES AS OF	
						31/12/2015	31/12/2014
Lina Mazhar Hassan Annab	General Manager	Jordanian	0	0	None	0	0
Ahmad Ibrahim Mohammad Jamjoum	Chief Financial Officer	Jordanian	0	0	None	0	0
Haitham "Mohammed Nazih" Nureddin Hanbali	Financial Controller	Jordanian	0	0	None	0	0

17.C NUMBER OF SHARES HELD BY RELATIVES OF MEMBERS OF THE BOARD AND SENIOR EXECUTIVE MANAGEMENT

NAME	RELATIONSHIP	NATIONALITY	NUMBER OF SHARES AS OF 31/12/2015	NUMBER OF SHARES AS OF 31/12/2014	CONTROLLED COMPANIES	NUMBER OF SHARES HELD BY CONTROLLED COMPANIES AS OF	
						31/12/2015	31/12/2014
Relatives of Sabih Taher Darwish Masri							
Najwa Mohammad Abdel Rahman Madi	Wife	Jordanian	4,076,000	4,076,000	None	0	0
Relatives of Nafez Saleh Odeh Mustafa							
Mary Bint Issa Bin Ilyas Loussi	Wife	Saudi	600,000	600,000	None	0	0

18.A REMUNERATIONS OF THE CHAIRMAN AND MEMBERS OF THE BOARD

NAME	POSITION	TRANSPORTATION ALLOWANCE	TRAVEL ALLOWANCE	TOTAL JD
Sabih Taher Darwish Masri	Chairman	12,000	-	12,000
Khaled Sabih Taher Masri	Vice Chairman	12,000	-	12,000
Khaled Jumaa Melood Al Zarzour	Member	-	21,443	21,443
Jamila Tawfiq Mahmoud Mahasneh	Member	12,000	-	12,000
Haidar Izzat Rashid Touran	Member	4,000	-	4,000
Sami Issa Eid Smeirat	Member	8,000	-	8,000
Isam Halim Jeries Salfiti	Member	12,000	-	12,000
Kamil Abdel Rahman Ibrahim Sadeddin	Member	12,000	-	12,000
Kamal Ghareeb Abdel-Rahim Al-Bakri	Member	12,000	-	12,000
Abdel Rahman Bin Ali Bin Abdel Rahman Al Turki	Member	-	-	-
Yassin Khalil Moh'd Yassin Talhouni	Member	12,000	-	12,000
Yazid Adnan Mustafa Mufti	Member	12,000	-	12,000
Nafez Saleh Odeh Mustafa	Member	12,000	-	12,000
Mohammed Osama Jawdat Sha'sha'a	Member	12,000	-	12,000
Total		132,000	21,443	153,443

18.B REMUNERATION OF SENIOR EXECUTIVE MANAGEMENT

NAME	POSITION	SALARIES	TRANSPORT ALLOWANCE	BONUSES	OTHER BENEFITS	TOTAL JD
Lina Mazhar Hassan Annab	General Manager	122,520	-	30,630	-	153,150
Ahmad Ibrahim Mohammed Jamjoum	Chief Financial Officer	80,220	3,000	20,955	600	104,775
Haitham «Mohammad Nazih» Nureddin Hanbali	Financial Controller	61,740	1,260	2,310	-	65,310

19. DONATIONS PAID BY THE COMPANY AND ITS SUBSIDIARIES DURING THE FISCAL YEAR

BENEFICIARY	AMOUNT JD
Vocational Training Center - Salt	5,104
Ramadan Packages	6,050
Medical Aid for Palestinians (MAP)	2,000
Jordanian Strategic Forum	10,000
New Think Festival	1,000
Students Education Support	895
Breast Cancer Campaign	280
Other	6,305
Total	31,634

Zara hotels also collected the amount of JD 64,942 from its guests for the benefit of King Hussein Cancer Foundation.

20. Contracts, projects and commitments entered into by the Company with its subsidiaries, sister or allied companies, the Chairman, members of the board, General Manager, or any Company employee or their relatives

There are no contracts, projects, or obligations made by the issuing Company with its subsidiaries, sister or allied companies, the Chairman, members of the board, General Manager, or any Company employee or their relatives.



COMPANY'S CONTRIBUTION TOWARDS **ENVIRONMENTAL PROTECTION**



SWITCHING
TO LED



SWITCHING
TO LPG



SWITCHING
TO SOLAR



SWITCHING
TO PV POWER



REDUCING GREENHOUSE
GAS EMISSIONS CO₂

21.A THE COMPANY'S CONTRIBUTION TOWARDS ENVIRONMENTAL PROTECTION

Zara is committed to protecting the environment in which it operates. In line with this commitment, we launched in 2009 an aggressive clean production and renewable energy program aimed at gradually replacing major traditional energy sources with renewable energy solutions. These substitute energy solutions are expected to significantly reduce our greenhouse gas emissions (CO₂), while cutting cost at the same time. The projects we embarked on vary in scale. In 2015 and in an attempt to replace our traditional energy sources with more cost efficient renewable energy generation sources, we signed an agreement for a solar PV system based on the recently enacted Wheeling Law. Once fully developed in 2017, this PV system is expected to meet 50% to 70% of our current electricity consumption needs while

achieving our goals of switching to clean energy and making tremendous cost savings. Other energy-saving measures such as switching to energy saving LEDs have been ongoing for the past several years. Over the past few years we have also worked on projects to switch from diesel fuel to the more friendly sources of LPG and solar energy. Other smaller scale environmentally-friendly programs include paper recycling and the use of energy-saving light bulbs in most of Zara hotels.

The environmental protection and operations sustainability plans we initiated in 2009 are ongoing and continue to be implemented to this day. In 2015 we were able to see tangible results on various fronts including monetary savings. Some of the results that we achieved include:

1. More efficient use of water resources.
2. Reduction in greenhouse gas emissions, with measurable reductions in the emissions of CO2.
3. Successful use of alternative sources of friendly energy through the partial switch to solar energy in several of our properties.
4. The substitution of diesel use by the environmentally friendly LPG systems for partial heating purposes.
5. The certification and recognition of most of our hotels as green hotels by various internationally renowned environmental rating organizations.

As the market leader in the hospitality field, Zara is fully aware of the importance of its role in setting the standard and in spearheading the call for an environmentally-conscious tourism and hospitality industry, a key sector for the economy of Jordan.

SALTUS HOTEL PROVIDED HANDS ON TRAINING TO 109 STUDENTS OF WHICH



21.B THE COMPANY'S CONTRIBUTION IN SERVING THE LOCAL COMMUNITY

Employment at our hotels constitutes one of the most important aspects in serving the local communities where we are present. The teams serving our hotels are all comprised of talented young residents of the communities where we operate. This community-based approach to developing and empowering local capacities is the guiding principle of our corporate social responsibility. Developing local talent is done by focusing on and supporting better education in these communities as well as in contributing to on- and off-the-job training.

In 2015, our hotels provided over 82 training opportunities for hospitality students in the Food and Beverage service, Food and Beverage production, and Housekeeping, of which 24 trainees were hired by Zara afterwards. Zara was pivotal in the training of 109 vocational trainees in Saltus Hotel and through its partnership with Vocational Training Corporation in the city of Salt of which 29% were females. To date, and since we forged our partnership with the

Vocational Training Corporation through developing Saltus Hotel in 2013, Zara has contributed to the training of almost 400 trainees of which 19% are females.

Adhering to the best and highest ethical standards in our operations has direct impact on the local communities in which we operate. During 2015 we were the first Jordanian hospitality company in Jordan to pledge our commitment to adhere to the principles of the UNWTO Global Code of Ethics for Tourism, and officially requested to sign with the UNWTO the Private Sector Commitment to the Global Code of Ethics for Tourism.

By signing the commitment to adhere to the Code of Ethics, Zara Holding committed to the following:

1. Observe the principles of the Code pertaining to Zara's hotel operations. This includes but is not limited to:

- i. Fostering tourism as a vehicle for individual and collective fulfillment.
- ii. Fostering tourism as a factor of sustainable development.
- iii. Fostering Tourism as a beneficial activity for host countries and communities.
- iv. Fostering Zara's obligations in tourism development.
- v. Fostering the rights of the workers and entrepreneurs in the tourism industry.

2. Disseminate the Code.

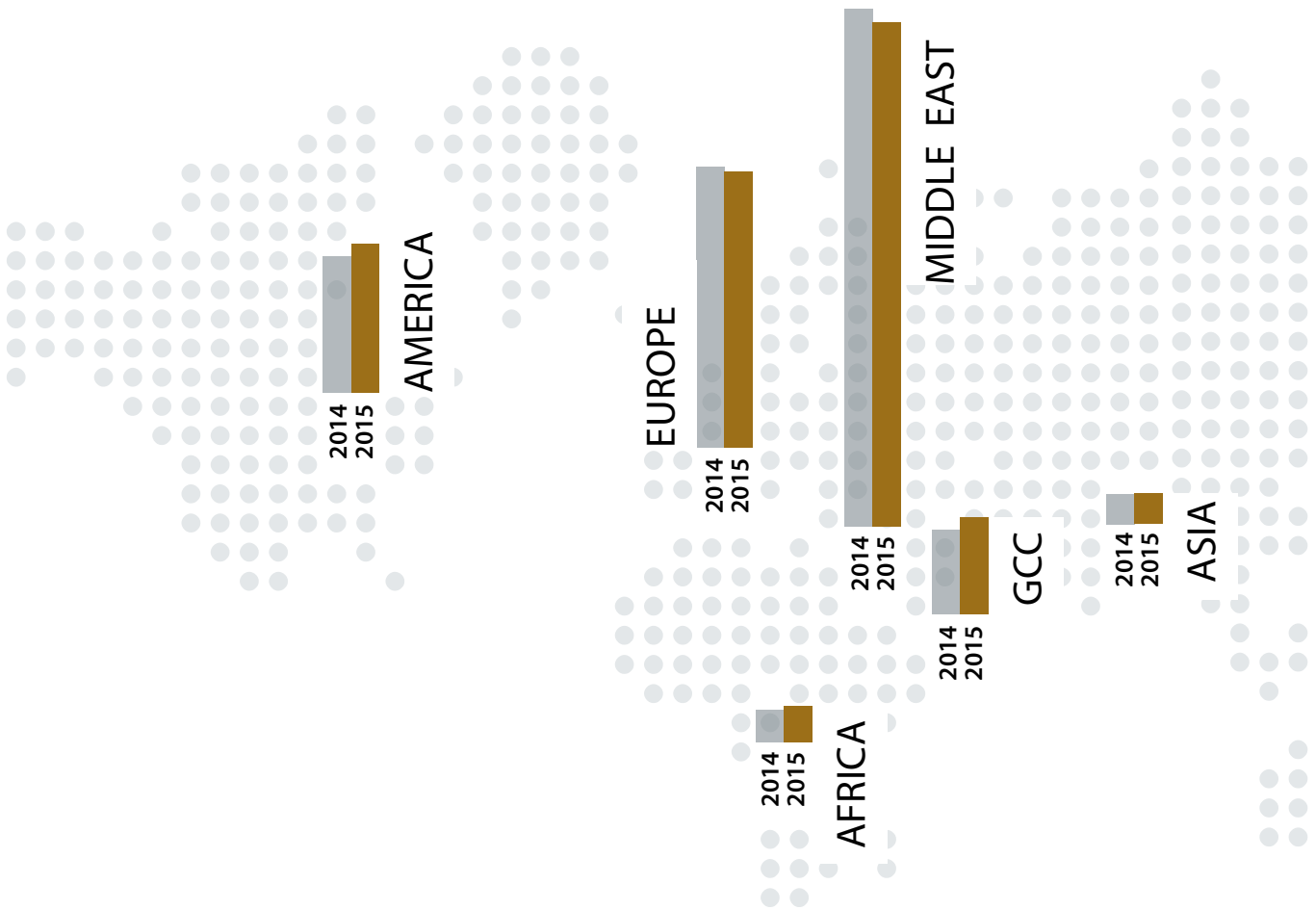
Finally, Zara actively and continuously seeks opportunities where, by virtue of its expertise and through the transfer of knowledge, it can contribute in assisting and funding the capacity building of various carefully selected hospitality education and training programs.

22 CORPORATE GOVERNANCE

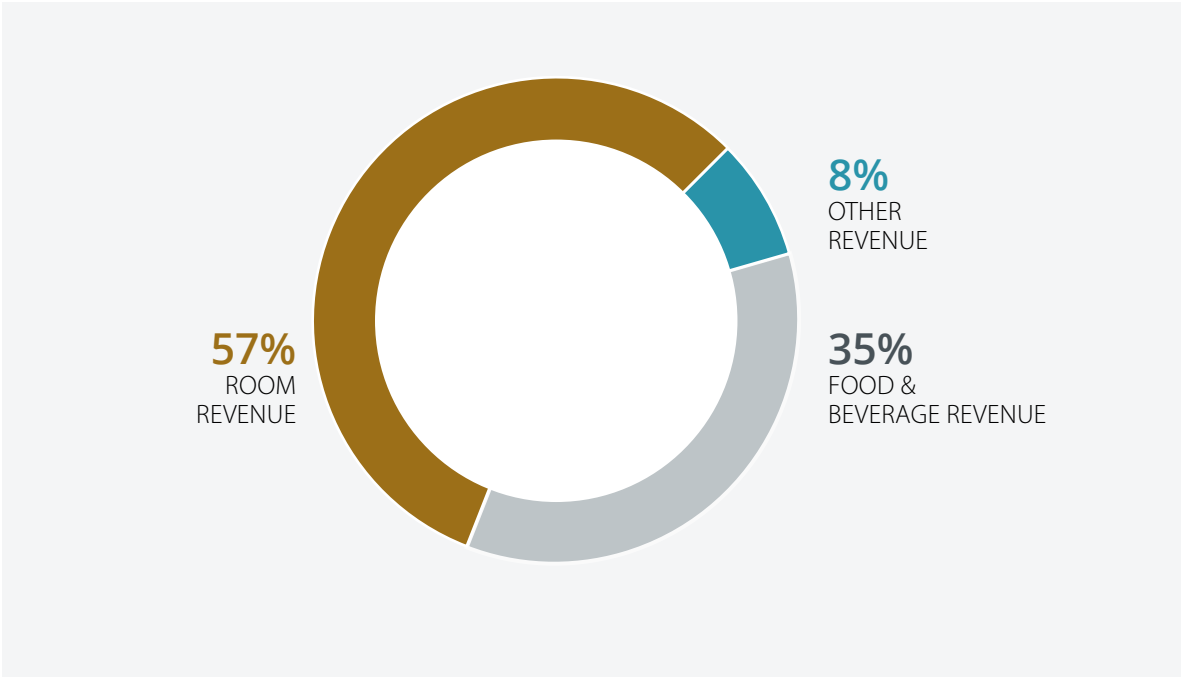
The company complies with the regulations as stipulated by the Corporate Governance Guidance.

The company also adheres to the applicable Jordan Securities Commission law and Companies law.

OUR GUESTS BY NATIONALITY



OUR SOURCE OF BUSINESS





تشحاتشيل

#طيبات - الأردن

TCHACHEEL

#ATasteOfJordan

Tchacheel is made out of a dough prepared from dark flour, eggs, finely chopped onions, arum (louf in Arabic) which is sometime substituted by parsley if out of season. The dough is molded into medium sized balls, which is then cooked in boiling Marees (liquid Jameed).

تشحاتشيل (كعكيل أو جعاجيل) هي أكلة أردنية لذيذة ولها قيمة غذائية عالية. تتكون من كرات معجونة تحتوي على طحين القمح الأسمر والبيض والبصل واللوب والذي يُستعاض عنه بالبقدونس عند عدم توفره. تُسقط الكرات في المريس (جميعد سائل) المغلي المضاف إليه العدس.



Arum lily (Louf in Arabic) is a plant gathered for its leaves mostly from January till March, its taste is earthy and it was embraced by local population from very early times. To neutralize the oxalate, the leaves are shredded and boiled for some time with lemon juice or other acid.

اللوب هي عشبة برية تنمو في عدة مناطق في الأردن. واللوب بشكله البري في الأردن يظهر من شهر كانون الثاني وحتى شهر آذار وهو موسمه الأساسي، ويكون بلون أخضر غامق قليلاً وساطع ويشبه ورق السلق، وتتميز أوراقه التي تُطهى وتؤكل فقط بأنها غنية بالماء وغمضة وذات طراوة. وينتمي اللوب إلى فصيلة الزنبقيات



General Assembly Annual Meeting 2014



General Assembly Annual Meeting 2014



CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2015

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ZARA INVESTMENT (HOLDING) COMPANY P.L.C. AMMAN - JORDAN

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Zara Investment Company P.S.C. - Holding Company (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on the legal requirements

The Group maintains proper books of accounts and the accompanying consolidated financial statements and financial information in the Board of Directors' report are in agreement therewith.

Amman – Jordan

ZARA INVESTMENT (HOLDING) COMPANY P.L.C.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	2015	2014
		JD	JD
ASSETS			
Non-current assets -			
Property and equipment	4	171,077,001	182,599,960
Investment properties	5	5,994,855	6,080,965
Projects in progress	6	586,407	212,412
Financial assets at fair value through other comprehensive income	7	13,215,689	15,791,474
Advance payments for land purchases	9	<u>381,650</u>	<u>7,048,258</u>
Other non-current assets	12	5,333,232	-
		<u>196,588,834</u>	<u>211,733,069</u>
Current assets -			
Inventories	10	1,935,015	2,028,383
Accounts receivable	11	4,504,132	5,910,564
Other current assets	12	3,818,937	3,034,374
Cash on hand and at banks	13	<u>13,752,281</u>	<u>12,778,743</u>
		<u>24,010,365</u>	<u>23,752,064</u>
Total assets		<u><u>220,599,199</u></u>	<u><u>235,485,133</u></u>

The accompanying notes from 1 to 34 form part of these consolidated financial statements

	Notes	2015	2014
EQUITY AND LIABILITIES			
		JD	JD
EQUITY			
Attributable to the equity owners of the parent -			
Paid-in capital	14	150,000,000	148,256,589
Statutory reserve	14	3,819,642	3,819,642
Voluntary reserve	14	689,496	689,496
Cumulative change in fair value	8	8,530,523	11,069,330
Accumulated losses		<u>(3,191,867)</u>	<u>(841,892)</u>
		159,847,794	162,993,165
Non-controlling interests	22	<u>20,714,857</u>	<u>20,723,367</u>
Total equity	10	<u>180,562,651</u>	<u>183,716,532</u>

	Notes	2015	2014
LIABILITIES			
		JD	JD
Non-current liabilities -			
Long-term loans	15	16,955,349	28,988,175
Deferred tax liabilities	23	<u>112,267</u>	<u>149,245</u>
		<u>17,067,616</u>	<u>29,137,420</u>
Current liabilities -			
Current portion of long-term loans	15	12,032,826	12,032,825
Due to banks	16	1,768,582	33,725
Accounts payable		3,992,061	4,789,403
Other current liabilities	17	4,281,019	4,994,200
Other provisions	18	216,539	198,834
Provision for income tax	23	<u>677,905</u>	<u>582,194</u>
		<u>22,968,932</u>	<u>22,631,181</u>
Total liabilities		<u>40,036,548</u>	<u>51,768,601</u>
Total equity and liabilities		<u>220,599,199</u>	<u>235,485,133</u>

The accompanying notes from 1 to 34 form part of these consolidated financial statements

ZARA INVESTMENT (HOLDING) COMPANY P.L.C.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 JD	2014 JD
Operating revenues		71,217,039	83,262,182
Operating expenses		<u>(53,671,293)</u>	<u>(61,240,005)</u>
Net operating revenues	19	17,545,746	22,022,177
Other income	20	937,765	1,013,105
Interest income		242,807	373,650
Finance costs		(1,814,287)	(2,643,680)
Depreciation	4,5	(13,911,126)	(14,914,017)
Administrative expenses	21	(3,830,056)	(3,638,340)
Other provisions	18	<u>(155,629)</u>	<u>(48,706)</u>
(Loss) profit before income tax		(984,780)	2,164,189
Income tax expense	23	<u>(648,161)</u>	<u>(772,777)</u>
(Loss) profit for the year		<u><u>(1,632,941)</u></u>	<u><u>1,391,412</u></u>
Attributable to:			
Equity holders of the parent		(2,349,766)	464,061
Non-controlling interests	22	<u>716,825</u>	<u>927,351</u>
		<u><u>(1,632,941)</u></u>	<u><u>1,391,412</u></u>
	Notes	JD / Fils	JD / Fils
Basic and diluted (loss) earnings per share attributable to the equity holders of the parent	24	<u><u>(0/016)</u></u>	<u><u>0/003</u></u>

The accompanying notes from 1 to 34 form part of these consolidated financial statements

ZARA INVESTMENT (HOLDING) COMPANY P.L.C.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015	2014
		JD	JD
(Loss) profit for the year		(1,632,941)	1,391,412
Other comprehensive income items after tax not to be realised in profit or loss subsequently:			
Change in fair value, net of tax	8	<u>(2,538,807)</u>	<u>(4,669,207)</u>
Total comprehensive income for the year		<u><u>(4,171,748)</u></u>	<u><u>(3,277,795)</u></u>
Attributable to:			
Shareholders of the parent		(4,888,573)	(4,205,146)
Non-controlling interests		<u>716,825</u>	<u>927,351</u>
		<u><u>(4,171,748)</u></u>	<u><u>(3,277,795)</u></u>

The accompanying notes from 1 to 34 form part of these consolidated financial statements

ZARA INVESTMENT (HOLDING) COMPANY P.L.C.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Attributable to the equity		
	Paid-in capital	Reserves	
		Statutory	Voluntary
	JD	JD	JD
2015			
Balance at 1 January 2015	148,256,589	3,819,642	689,496
Increase in paid in capital	1,743,411	-	-
Capital increase expense	-	-	-
Total comprehensive income for the year	-	-	-
Dividends of a subsidiary	-	-	-
Balance at 31 December 2015	<u>150,000,000</u>	<u>3,819,642</u>	<u>689,496</u>
2014			
Balance at 1 January 2014	148,256,589	3,773,236	689,496
Total comprehensive income for the year	-	-	-
Transferred to reserves	-	46,406	-
Dividends of a subsidiary	-	-	-
Balance at 31 December 2014	<u>148,256,589</u>	<u>3,819,642</u>	<u>689,496</u>

The accompanying notes from 1 to 34 form part of these consolidated financial statements

holders of the parent

Cumulative change in fair value	Accumulated losses	Total	Non-control- ling interests	Total equity
JD	JD	JD	JD	JD
11,069,330	(841,892)	162,993,165	20,723,367	183,716,532
-	-	1,743,411	-	1,743,411
-	(209)	(209)	-	(209)
(2,538,807)	(2,349,766)	(4,888,573)	716,825	(4,171,748)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(725,335)</u>	<u>(725,335)</u>
<u>8,530,523</u>	<u>(3,191,867)</u>	<u>159,847,794</u>	<u>20,714,857</u>	<u>180,562,651</u>
15,738,537	(1,259,547)	167,198,311	20,279,572	187,477,883
(4,669,207)	464,061	(4,205,146)	927,351	(3,277,795)
-	(46,406)	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(483,556)</u>	<u>(483,556)</u>
<u>11,069,330</u>	<u>(841,892)</u>	<u>162,993,165</u>	<u>20,723,367</u>	<u>183,716,532</u>

ZARA INVESTMENT (HOLDING) COMPANY P.L.C.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

Operating Activities	Notes	2015	2014
		JD	JD
Profit (loss) before income tax		(984,780)	2,164,189
Adjustments for			
Depreciation		13,911,126	14,914,017
Dividends income		(36,418)	(36,418)
Gain on sale and disposal of property and equipment		(12,000)	(55,725)
Finance costs		1,814,287	2,643,680
Interest income		(242,807)	(373,650)
Provision for projects in progress		-	-
Provision for doubtful accounts, net		272,755	258,513
Other provisions		155,629	48,706
Reversal of other provisions		-	(3,907)
Changes in working capital			
Inventories		93,368	(200,000)
Accounts receivable		1,133,677	234,842
Other current assets		548,813	(131,115)
Accounts payable		(797,342)	(1,059,880)
Other current liabilities		(667,560)	(244,263)
Other provisions paid		(137,924)	(113,459)
Income tax paid		(552,450)	(553,292)
Net cash flows from operating activities		<u>14,498,374</u>	<u>17,492,238</u>

The accompanying notes from 1 to 34 form part of these consolidated financial statements

Investing activities	Notes	2015	2014
		JD	JD
Purchase of property and equipment		(1,870,648)	(2,643,757)
Proceeds from sale and disposal of property and equipment		25,042	59,717
Purchase of investment properties		(5,863)	(5,776)
Projects in progress		(812,583)	(739,791)
Contractors' retentions		1,910	(116,252)
Dividends income received		36,418	36,418
Interest income received		<u>242,807</u>	<u>373,650</u>
Net cash flows used in investing activities		<u>(2,382,917)</u>	<u>(3,035,791)</u>

Financing Activities

Increase in paid in capital		1,743,411	-
Capital increase expenses		(209)	-
Repayments of loans		(12,032,825)	(12,032,825)
Dividends of a subsidiary to non-controlling interests		<u>(725,335)</u>	<u>(483,556)</u>
Finance costs paid		<u>(1,861,818)</u>	<u>(2,738,418)</u>
Net cash flows used in financing activities		<u>(12,876,776)</u>	<u>(15,254,799)</u>
Net decrease in cash and cash equivalents		(761,319)	(798,352)
Cash and cash equivalents at the beginning of the year		<u>12,745,018</u>	<u>13,543,370</u>
Cash and cash equivalents at the end of the year	13	<u><u>11,983,699</u></u>	<u><u>12,745,018</u></u>

ZARA INVESTMENT (HOLDING) COMPANY P.L.C.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2015

1 General

Zara Investment (Holding) Company (the "Company") was established on 10 May 1994 as a Public Shareholding Company. The Company's paid in capital is JD 150,000,000 consisting of 150,000,000 shares, of JD 1 par value each.

The principal activities of the Company are to manage its subsidiaries (together, the "Group"), participate in other companies' management in which it is a principal owner, invest in stocks, bonds and financial instruments, and grant loans, guarantees and finance to its subsidiaries. The Company owns, through its subsidiaries, hotels and resorts located in several places in Jordan (Amman, Dead Sea, Petra, Himmeh and Aqaba).

The consolidated financial statements were authorized for issue by the Board of Directors in its meeting held on 23 March 2016. These consolidated financial statements are subject to the approval of the General Assembly.

2 Accounting Policies

2.1 Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board.

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

The consolidated financial statements have been presented in Jordanian Dinars "JD", which is the functional currency of the Group.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2015.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect

its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, revenues and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets, liabilities, equity, revenues, expenses and profit or loss relating to transactions between members of the Group are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss.

The Company's subsidiaries and its ownership percentages are disclosed in note (28).

2.3 Changes in accounting policies

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2014.

2.4 Summary of Significant Accounting Policies

Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Repair and maintenance expenses are recognized in the consolidated statement of profit or loss.

Property and equipment (except for land) is depreciated using the straight-line method over their estimated useful lives using the following annual depreciation rates:

	%
Buildings	2
Electro-mechanicals	10-15
Machinery and equipment	15
Furniture and fixture	15
Computers	20
Vehicles	15
Others	2-20

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. Loss is recognized in the consolidated statement of profit or loss.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

When assets are sold or retired, any gain or loss resulting from their disposal is included in the consolidated statement of profit or loss

Investment properties

Investment properties are properties (land or buildings) held to earn rentals or for capital appreciation rather than land or buildings used for production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment properties are stated at cost less accumulated depreciation and/or accumulated impairment losses. Investment properties (except for land) are depreciated on a straight-line basis over their estimated useful lives at annual depreciation rates ranging between 2% - 20%.

Projects in progress

Projects in progress are stated at cost, which represents cost of constructions, equipment and direct costs. Projects in progress are not depreciated until they become ready for use where they get transferred to property and equipment or investment properties.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in the consolidated statement of profit or loss.

An assessment is made at each reporting date for an asset as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

Financial assets at fair value through other comprehensive income

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 consolidated statement of other 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 gain or loss is recorded at the consolidated statement of profit or loss and in the statement of equity and the valuation reserve balance for sold assets will be transferred directly to retained earnings. These assets are not subject to impairment testing and dividends received are recognised in the statement of profit or loss when declared.

Fair value

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 takes place either:

- In the principal market for the asset or liability, or
- 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 Group.

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 Group 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 consolidated 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

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

De-recognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the financial asset have expired; or
- The Group has transferred its rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are valued at cost (weighted average costing) or net realizable value whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Accounts receivable

Accounts receivable are stated at original invoice amount less any provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full or part of the amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

The carrying amount of the asset is reduced through the use of a provision account and the amount of the loss is recognized in the consolidated statement of profit or loss. If, in a subsequent year, the amount of the estimated

impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the provision account. If a future write-off is later recovered, the recovery is credited to other income in the consolidated statement of profit or loss.

Cash and cash equivalents

Cash and bank balance comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Loans and borrowings

After initial recognition, interest bearing loans are subsequently measured at amortized cost using the effective interest rate method. Gains or losses are recognized in the consolidated statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process. Amortized cost considers any acquisition discount or premium, fees, and costs and forms an integral part of the effective interest rate. Finance costs are recognized in the consolidated statement of profit or loss.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and a recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Accounts payable and accruals

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business whether or not such obligations have been claimed.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss net of any reimbursement.

Income Taxes

Provision for income tax is calculated in accordance with the prevailing income tax law.

Tax expense comprises current tax and deferred taxes. 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. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled.

The carrying values of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Revenue recognition

Revenues are recognized upon rendering services and issuance of invoice.

Dividends are recognized when the shareholders' right to receive payment is established.

Rental income is recognized on a straight-line basis over the lease term as other income.

Other revenues are recognized on an accrual basis.

Operating Lease

Group as a lessee

Operating leases are recognized as an expense in the consolidated statement of profit or loss on a straight-line basis over the lease term.

Group as a lessor

Operating lease revenues from investment properties are recognized as other income in the consolidated statement of profit or loss on a straight-line basis over the lease term.

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 consolidated statement of profit or loss.

Contingent assets and liabilities

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed when the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefit is possible.

(3) SIGNIFICANT ACCOUNTING JUDGMENT, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated 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, expenses and 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.

Judgments, estimates and assumptions in the consolidated financial statements are detailed below:

- A provision is established for accounts receivable based on basis and assumptions approved by the Group's management to estimate the required provision.
- Income tax expense is calculated and charged for the year in accordance with laws and regulation and IFRS. Deferred tax assets and liabilities and income tax provision are calculated accordingly.
- The management periodically reviews the useful lives of property and equipment in order to calculate the annual depreciation expense on the general conditions of the property and equipment and estimate the future useful lives accordingly.
- A provision is established against court cases where the Group is the defendant based on a legal study provided by the Group's legal advisor which determines the risk that may occur. These studies are reviewed periodically and the provision is adjusted accordingly.

ZARA INVESTMENT (HOLDING) COMPANY P.L.C.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2015

(4) PROPERTY AND EQUIPMENT

	Lands	Buildings	Electro- mechanicals
	JD	JD	JD
2015			
Cost			
At 1 January 2015	35,349,349	160,779,572	66,695,733
Additions	-	89,188	211,568
Transferred from projects in progress	-	92,743	57,211
Disposals	-	-	(5,838)
At 31 December 2015	<u>35,349,349</u>	<u>160,961,503</u>	<u>66,958,674</u>
Accumulated depreciation			
At 1 January 2014	-	42,387,212	57,431,518
Additions	-	3,354,477	3,856,436
Disposals	-	-	(4,031)
At 31 December 2015	<u>-</u>	<u>45,741,659</u>	<u>61,283,923</u>
Net book value at 31 December 2015	<u>35,349,349</u>	<u>115,219,844</u>	<u>5,674,751</u>
2014			
Cost			
At 1 January 2014	35,349,349	159,361,486	65,298,379
Additions	-	503,118	672,473
Transferred from projects in progress	-	918,768	727,492
Disposals	-	(3,800)	(2,611)
At 31 December 2014	<u>35,349,349</u>	<u>160,779,572</u>	<u>66,695,733</u>
Accumulated depreciation			
At 1 January 2014	-	38,868,793	53,301,393
Additions	-	3,519,673	4,132,735
Disposals	-	(1,254)	(2,610)
At 31 December 2014	<u>-</u>	<u>42,387,212</u>	<u>57,431,518</u>
Net book value at 31 December 2014	<u>35,349,349</u>	<u>118,392,360</u>	<u>9,264,215</u>

The cost of fully depreciated property and equipment as at 31 December 2014 is JD 95,751,530 (2013: JD 88,555,784).

Machinery and equipment	Furniture and fixtures	Computer equipment	Vehicles	Others	Total
JD	JD	JD	JD	JD	JD
36,261,936	49,815,663	7,516,926	1,513,588	2,555,228	360,487,995
792,368	437,093	293,454	46,977	-	1,870,648
214,216	850	-	9,204	-	374,224
<u>(1,642)</u>	<u>(39,249)</u>	<u>(3,684)</u>	<u>(128,735)</u>	<u>-</u>	<u>(179,148)</u>
<u>37,266,878</u>	<u>50,214,357</u>	<u>7,806,696</u>	<u>1,441,034</u>	<u>2,555,228</u>	<u>362,553,719</u>
28,614,849	40,041,558	6,394,224	1,185,860	1,832,814	177,888,035
2,280,650	3,678,560	455,165	105,379	24,152	13,754,789
<u>(1,534)</u>	<u>(28,122)</u>	<u>(3,684)</u>	<u>(128,735)</u>	<u>-</u>	<u>(166,106)</u>
<u>30,893,965</u>	<u>43,691,996</u>	<u>6,845,705</u>	<u>1,162,504</u>	<u>1,856,966</u>	<u>191,476,718</u>
<u>6,372,913</u>	<u>6,522,361</u>	<u>960,991</u>	<u>278,530</u>	<u>698,262</u>	<u>171,077,001</u>
33,945,711	49,146,791	7,107,327	1,490,318	2,555,228	354,254,589
451,358	535,332	383,557	97,919	-	2,643,757
2,251,247	146,795	32,057	-	-	4,076,359
<u>(386,380)</u>	<u>(13,255)</u>	<u>(6,015)</u>	<u>(74,649)</u>	<u>-</u>	<u>(486,710)</u>
<u>36,261,936</u>	<u>49,815,663</u>	<u>7,516,926</u>	<u>1,513,588</u>	<u>2,555,228</u>	<u>360,487,995</u>
26,757,541	35,822,012	5,896,559	1,154,825	1,807,081	163,608,204
2,243,519	4,232,754	503,680	104,455	25,733	14,762,549
<u>(386,211)</u>	<u>(13,208)</u>	<u>(6,015)</u>	<u>(73,420)</u>	<u>-</u>	<u>(482,718)</u>
<u>28,614,849</u>	<u>40,041,558</u>	<u>6,394,224</u>	<u>1,185,860</u>	<u>1,832,814</u>	<u>177,888,035</u>
<u>7,647,087</u>	<u>9,774,105</u>	<u>1,122,702</u>	<u>327,728</u>	<u>722,414</u>	<u>182,599,960</u>

5 Investment Properties

	2015	2014
	JD	JD
Cost		
As at 1 January	10,417,100	10,411,324
Additions	5,863	5,776
Transferred from projects in progress	<u>64,364</u>	<u>-</u>
As at 31 December	<u>10,487,327</u>	<u>10,417,100</u>
Accumulated depreciation		
As at 1 January	4,336,135	4,184,667
Additions	<u>156,337</u>	<u>151,468</u>
As at 31 December	<u>4,492,472</u>	<u>4,336,135</u>
Net book value		
At 31 December	<u>5,994,855</u>	<u>6,080,965</u>

The fair value of the investment properties is estimated by the real estate appraiser at JD 10,264,959 as at 31 December 2015.

6 Projects in Progress

This item represents the cost of executed works and amounts paid to the contractors as follows:

	2015	2014
	JD	JD
Jordan Hotels and Tourism Company	1,803	-
Jordan Himmeh Mineral Company *	373,710	368,474
Nabatean Hotels Company	12,228	12,228
Levant Hotels and Tourism Company	59,484	-
Amman Tourism Investment Company	-	10,141
Oasis Hotels Company *	525,703	525,703
National Hotels and Tourism Company	490,257	168,590
South Coast Hotels Company *	528,245	528,245
Zara South Coast Development Company	-	4,054
Zara Investment Company *	<u>102,986</u>	<u>102,986</u>
	2,094,416	1,720,421
Less: provision for projects in progress *	<u>(1,508,009)</u>	<u>(1,508,009)</u>
	<u>586,407</u>	<u>212,412</u>

No interest expense was capitalized during 2015 and 2014.

Movements on projects in progress are as follow:

	2015	2014
	JD	JD
Beginning balance	1,720,421	5,056,989
Additions	812,583	739,791
Transferred to property and equipment and investment properties	<u>(438,588)</u>	<u>(4,076,359)</u>
	2,094,416	1,720,421
Provision for projects in progress	<u>(1,508,009)</u>	<u>(1,508,009)</u>
Ending balance	<u><u>586,407</u></u>	<u><u>212,412</u></u>

The estimated cost to complete the above projects is approximately JD 4,000,000 as of 31 December 2015 (2014: JD 3,000,000). Management expects to complete these projects during the coming two years.

7 Financial Assets at Fair Value Through Other Comprehensive Income

This item represents the Group's equity investment in the following companies:

	2015	2014
	JD	JD
Quoted shares – Local		
Jordan Express Tourist Transport Company	513,487	640,950
Jordan Projects Tourism Development Company	<u>11,206,493</u>	<u>13,654,815</u>
	<u>11,719,980</u>	<u>14,295,765</u>
Unquoted shares – Local		
Jordan Hotels and Tourism Education	180,000	180,000
Dead Sea Touristic and Real Estate Investments Company	<u>354,000</u>	<u>354,000</u>
	<u>534,000</u>	<u>534,000</u>
Unquoted shares – Foreign		
Jerusalem Tourism Investment Company	5,800	5,800
Palestine Tourism Investment Company	<u>955,909</u>	<u>955,909</u>
	<u>961,709</u>	<u>961,709</u>
	<u>13,215,689</u>	<u>15,791,474</u>

Movements on financial assets at fair value through other comprehensive income are as follows:

	2015	2014
	JD	JD
Beginning balance	15,791,474	20,515,884
Change in fair value	<u>(2,575,785)</u>	<u>(4,724,410)</u>
Ending balance	<u>13,215,689</u>	<u>15,791,474</u>

Investments in unquoted shares are carried at cost. Management believes that the fair value of these investments is not materially different from its cost.

8 Cumulative Change in Fair Value

Movements on cumulative change in fair value are as follows:

	2015	2014
	JD	JD
Beginning balance	11,069,330	15,738,537
Change in fair value of financial assets at fair value through other comprehensive income	(2,575,785)	(4,724,410)
Change in deferred tax liabilities (note 23)	<u>36,978</u>	<u>55,203</u>
Ending balance	<u>8,530,523</u>	<u>11,069,330</u>

9 Advance Payments for Land Purchases

This item represents amounts paid in advance by the following subsidiaries to purchase a number of land lots. The subsidiaries have not completed the transfer of ownership until the date of these consolidated financial statements:

Subsidiary	2015	2014	Paid to
	JD	JD	
South Coast Real Estate Development Company *	5,445,961	5,445,961	Aqaba Special Economic Zone Authority
South Coast Hotels Company *	1,220,647	1,220,647	Aqaba Special Economic Zone Authority
Zara South Coast Development Company	<u>381,650</u>	<u>381,650</u>	Jordan Projects Tourism Development Company
	<u>381,650</u>	<u>7,048,258</u>	

* In 2015, the Company signed an agreement with Aqaba Special Economic Zone Authority ("ASEZA") that cancels the Sale and Development agreement made in 2007 with ASEZA to purchase a number of land lots. In the agreement signed in 2015, ASEZA promises to repay the advances to the Company in five equal annual installments over a period of five years.

10 Inventories

	2015	2014
	JD	JD
Food and beverages	483,693	553,958
Supplies and equipment	1,253,471	1,249,757
Others	<u>197,850</u>	<u>224,668</u>
	<u>1,935,015</u>	<u>2,028,383</u>

11 Accounts Receivable

	2015	2014
	JD	JD
Accounts receivable	5,602,412	6,906,238
Provision for doubtful accounts	<u>(1,098,280)</u>	<u>(995,674)</u>
	<u>4,504,132</u>	<u>5,910,564</u>

Movement's on the provision for doubtful accounts are as follows:

	2015	2014
	JD	JD
Beginning balance	995,674	742,911
Charge for the year *	308,485	385,146
Reversals during the year **	(35,730)	(126,633)
Amounts written off during the year	<u>(170,149)</u>	<u>(5,750)</u>
Ending Balance	<u>1,098,280</u>	<u>995,674</u>

* The charge for the year was allocated to administrative expenses for JD 127,796 (2014: JD 148,762) and to operating expenses for JD 180,689 (2014: JD 236,384).

** The reversals during the year were added to other income for JD 638 (2014: JD 40,881) and were deducted from operating expenses for JD 35,092 (2014: JD 85,752).

As at 31 December, the ageing of unimpaired accounts receivable is as follows:

	Past due but not impaired					Total
	Neither past due nor impaired	1-30 days	31 – 90 days	91 – 120 days	> 120 days	
	JD	JD	JD	JD	JD	
2015	720,174	1,634,939	1,935,791	203,279	9,949	4,504,132
2014	1,782,621	1,210,796	2,587,088	180,007	150,052	5,910,564

Management expects unimpaired receivables to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

12 Other Current Assets

	2015	2014
	JD	JD
Aqaba Special Economic Zone Authority	6,666,608	-
Refundable deposits	729,640	711,895
Advance payments to contractors and suppliers	342,689	468,385
Prepaid expenses	891,907	1,352,093
Others	<u>521,325</u>	<u>502,001</u>
	<u>9,152,169</u>	<u>3,034,374</u>
Non-current portion	5,333,232	-
Current portion	<u>3,818,937</u>	<u>3,034,374</u>
	<u>9,152,169</u>	<u>3,034,374</u>

13 Cash on Hand and at Banks

	2015	2014
	JD	JD
Cash on hand	104,094	112,527
Current accounts	5,712,902	4,785,691
Term deposits *	<u>7,935,285</u>	<u>7,880,525</u>
	<u>13,752,281</u>	<u>12,778,743</u>

* Term deposits are fixed for 1 to 3 months and earn annual interest rates ranging from 1% to 2.75% per annum.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise of the following:

	2015	2014
	JD	JD
Cash on hand and at banks	13,752,281	12,778,743
Due to banks (note 16)	<u>(1,768,582)</u>	<u>(33,725)</u>
	<u>11,983,699</u>	<u>12,745,018</u>

14 Equity

Authorized and Paid in Capital

The Company's authorized capital is 150,000,000 shares of JD 1 par value each as at 31 December 2015.

Statutory Reserve

As required by the Jordanian Companies Law, 10% of the annual profit before tax is to be transferred to statutory reserve. The reserve is not available for distribution to the shareholders. The Company may stop this transfer to statutory reserve when its balance reaches 25% of the authorized share capital.

Voluntary Reserve

The accumulated amounts in this account represent cumulative appropriations not exceeding 20% of the annual profit before tax. This reserve is available for distribution to the shareholders.

15 Long-Term Loans

This item consists of the following:

Currency	Loans instalments					
	2015			2014		
	Short Term	Long Term	Total	Short Term	Long Term	Total
JD	JD	JD	JD	JD	JD	JD
Syndicated loan – Jordan Hotels and Tourism Co.						
USD	1,183,334	-	1,183,334	1,183,333	1,183,334	2,366,667
Syndicated loan – Jordan Hotels and Tourism Co.						
JOD	500,000	-	500,000	500,000	500,000	1,000,000
Arab Bank – Amman Tourism Investment Co.						
USD	1,520,000	3,040,000	4,560,000	1,520,000	4,560,000	6,080,000
Arab Bank – Zara Investment Holding Co.						
USD	1,480,000	2,960,000	4,440,000	1,480,000	4,440,000	5,920,000
Syndicated loan – Zara Investment Holding Co.						
USD	3,332,300	6,738,500	10,070,800	3,332,300	10,070,800	13,403,100
International Finance Corporation – Zara investment Holding Co.						
USD	4,017,192	4,216,849	8,234,041	4,017,192	8,234,041	12,251,233
	<u>12,032,826</u>	<u>16,955,349</u>	<u>28,988,175</u>	<u>12,032,825</u>	<u>28,988,175</u>	<u>41,021,000</u>

Syndicated Loan - Jordan Hotels and Tourism Company - USD and JD

On 8 June 2009 three banks (Arab Bank, Union Bank and Cairo Amman Bank) participated in a two tranches syndicated loan managed by Arab Bank of JD 3,000,000 and USD 10,000,000 to finance 69% of the renovation of blocks A&B and other facilities of the Intercontinental Jordan Hotel. The loan is repayable in 12 semi-annual equal instalments of JD 841,666 each with the first one due 24 months from the date of signing the agreement. The floating interest rate is due every six months according to Arab Bank prime lending rate plus 0.75% annual margin for the JD tranche and LIBOR plus 2.25% annual margin for the USD tranche with 4.5% floor per annum.

Arab Bank - Amman Tourism Investment Company - USD

On 14 January 1998 a discounted loan in Jordanian Dinar of JD 12,500,000 was granted to finance the project of Grand Hyatt Amman Hotel with a first degree mortgage on the land and building of the Hotel. The loan term was 8 years including a 5-year grace period and was repayable over 3.5 years in equal semi-annual instalments of JD 1,785,714 each, commencing on 14 January 2004 at interest rate of 9.5%. The loan was rescheduled during 2001 and 2003 such that the first instalment was due on 14 January, 2005 at an annual interest rate of 7.25%.

On 31 December 2011 the loan currency was converted to USD with the same conditions and a six-month LIBOR floating interest rate is due plus 3% margin per annum with 4% floor per annum over the loan term. The loan is repayable over 7 equal annual instalments of USD 2,143,865 each starting on 31 December 2012 and ending on 31 December 2018.

Arab Bank - Zara Investment Holding Company - USD

On 22 October 2006 a loan of JD 14,800,000 was granted to finance the Company's current projects with a second degree mortgage on the land of Aqaba Movenpick Hotel. The loan was repayable in 10 equal semi-annual instalments at an annual interest rate of 8.5% commencing after an 18-month grace period. On 21 November 2007 the loan period was extended to 11 years with a 2-year grace period with the same collaterals. The loan is repayable in 10 equal annual instalments of JD 1,480,000 each commencing on 31 December 2009 and ending on 31 December 2018. The floating interest is due every six months according to Arab Bank prime lending rate plus 0.25% annual margin. On 30 April 2014 the loan currency was converted to USD with the same conditions and a six-month LIBOR floating interest rate is due plus 3% margin per annum with 4% floor per annum over the loan term. The loan is repayable over 5 equal annual instalments of USD 2,084,507 each starting on 31 December 2014 and ending on 31 December 2018.

Syndicated Loan - Zara Investment Holding Company - USD

On 4 December 2007 five banks (Arab Bank, Union Bank, Jordan Kuwait Bank, Cairo Amman Bank and Arab Jordan Investment Bank) participated in a syndicated loan managed by Arab Bank of JD 30,000,000 to repay the second and third instalments of the Company's bonds issued on 12 December 2004 and were due on 12 December 2008 and 12 December 2009 of JD 14,000,000 and JD 16,000,000 respectively. The loan was repayable in 9 annual instalments of JD 3,300,000 except the last instalment of JD 3,600,000 with the first one due 36 months from the date of signing the agreement. The floating interest was due every six months according to the average lending rates of the participating banks plus 0.25% annual margin.

On 29 December 2011 the loan currency was converted to USD with the same conditions and a six-month LIBOR floating interest rate plus 3% annual margin with 4% floor per annum over the loan term. The loan is repayable in 7 annual instalments of USD 4,700,000 except for the last instalment of USD 4,804,231 starting on 4 December 2012 and ending on 4 December 2018.

International Finance Corporation (“IFC”) - Zara Investment Holding Company - USD

On 28 February 2008 the Company signed a loan agreement of USD 40,000,000 to finance the construction of Movenpick Hotel at Tala Bay located on the south coast of Aqaba. The loan is guaranteed by a mortgage on the Company's shares in Jordan Hotels and Tourism Co. and National Hotels and Tourism Co. and the guarantee of Amman Tourism Investment Co. The loan period is 10 years including a 3-year grace period.

The loan is repayable in 14 semi-annual instalments of USD 2,837,000 each except the last instalment of USD 3,119,000 at annual interest rate of 1.6% plus LIBOR determined at the date of each disbursement and fixed for the tenure of the loan. The first instalment was due on June 15, 2011 and the last is due on 15 December 2017. During the second half of 2008, the Company utilized USD 30,000,000 and USD 7,000,000 at an interest rate 6.17% and 3.79% respectively. During the first half of 2009, the Company utilized the remaining balance of USD 3,000,000 at 4.22%.

The loan agreements include covenants in respect of the financial ratios related to the financial statements of the borrowing companies. The agreements provide for calling the entire loan balance in case the borrowing companies do not comply with such covenants.

The aggregate amounts and maturities of the loans are as follows:

Year	JD
2016	12,032,826
2017	10,549,149
2018	<u>6,406,200</u>
Total	<u>28,988,175</u>

16 Due to Banks

This item represents the balance of the overdraft facilities granted to the Company and Jordan Hotels and Tourism Company (subsidiary) from Cairo Amman Bank, Arab Bank and Union Bank with ceilings of JD 5,000,000, JD 1,000,000 and JD 2,000,000 respectively. The annual interest rate on these facilities is 8.325% including the commission.

17 Other Current Liabilities

	2015	2014
	JD	JD
Accrued interest	117,230	164,761
Due to contractors and retentions payable	31,667	33,577
Accrued expenses	2,321,088	2,735,610
Deposits	432,874	584,781
Others	<u>1,378,160</u>	<u>1,475,471</u>
	<u>4,281,019</u>	<u>4,994,200</u>

18 Other Provisions

2015	Legal claims	Employees' benefits	Others	Total
	JD	JD	JD	JD
Beginning balance	9,851	143,983	45,000	198,834
Charge for the year	-	110,629	45,000	155,629
Reversal of provisions	-	-	-	-
Paid during the year	<u>-</u>	<u>(92,924)</u>	<u>(45,000)</u>	<u>(137,924)</u>
Ending balance	<u>9,851</u>	<u>161,688</u>	<u>45,000</u>	<u>216,539</u>

2014	Legal claims	Employees' benefits	Others	Total
	JD	JD	JD	JD
Beginning balance	9,851	208,736	48,907	267,494
Charge for the year	-	3,706	45,000	48,706
Reversal of provisions	-	-	(3,907)	(3,907)
Paid during the year	<u>-</u>	<u>(68,459)</u>	<u>(45,000)</u>	<u>(113,459)</u>
Ending balance	<u>9,851</u>	<u>143,983</u>	<u>45,000</u>	<u>198,834</u>

19 Segment Information

The primary reporting segments were determined based on the risks and rewards for the Group which is substantially affected by the segments products and services.

These segments are organized and operated separately in accordance with the nature of its products and services and used by the Chief Executive Officer and the primary decision maker of the Group.

The Group is organized for administrative purposes through hotels segment and other segments:

- **Hotels segment:** represents hospitality services of Movenpick Hotels, Grand Hyatt Amman Hotel and Intercontinental Jordan Hotel.
- **Other segments:** represent the Holding Company and other segments transactions.

Management monitors the segment results based on the profit or loss of each segment separately for the purposes of performance evaluation.

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. All segments of the Group operate in one geographic area.

2015	Hotels Segment	Other Segments	Eliminations	Total
	JD	JD	JD	JD
Operating revenues	70,719,594	1,350,718	(853,273)	71,217,039
Operating expenses	(53,596,833)	(927,733)	853,273	(53,671,293)
Net operating revenues	<u>17,122,761</u>	<u>422,985</u>	<u>-</u>	<u>17,545,746</u>

Other information

Segment assets	208,765,174	48,397,618	(36,563,593)	220,599,199
Segment liabilities	56,764,946	19,835,195	(36,563,593)	40,036,548
Depreciation	13,859,128	51,998	-	13,911,126
Provision for doubtful accounts	180,689	127,796	-	308,485
Interest income	160,221	82,586	-	242,807
Finance costs	1,501,401	312,886	-	1,814,287
Capital expenditures	2,652,812	36,282	-	2,689,094
Non-current operating assets	179,964,429	16,624,405	-	196,588,834

* Hotels' net operating revenues consist of the following:

	Operating revenues	Operating expenses	Net operating revenues
	JD	JD	JD
Hotel Intercontinental Jordan	23,504,147	(16,400,628)	7,103,519
Grand Hyatt Amman	15,109,097	(11,004,177)	4,104,920
Dead Sea Movenpick Hotel	10,920,887	(9,518,685)	1,402,202
Petra Movenpick Hotel	4,747,617	(3,063,571)	1,684,046
Aqaba Movenpick Hotel	6,656,188	(5,929,301)	726,887
Nabatean Castle Hotel	-	(222,692)	(222,692)
Tala Bay Movenpick Hotel	<u>9,781,658</u>	<u>(7,457,779)</u>	<u>2,323,879</u>
Total	<u>70,719,594</u>	<u>(53,596,833)</u>	<u>17,122,761</u>

2014	Hotels Segment	Other Segments	Eliminations	Total
	JD	JD	JD	JD
Operating revenues	82,705,833	1,110,029	(553,680)	83,262,182
Operating expenses	<u>(61,127,417)</u>	<u>(666,268)</u>	<u>553,680</u>	<u>(61,240,005)</u>
Net operating revenues	<u>21,578,416</u>	<u>443,761</u>	<u>-</u>	<u>22,022,177</u>

Other information

Segment assets	222,589,866	47,750,951	(34,855,684)	235,485,133
Segment liabilities	64,227,492	22,396,793	(34,855,684)	51,768,601
Depreciation	14,863,800	50,217	-	14,914,017
Provision for doubtful accounts	236,384	148,762	-	385,146
Interest income	192,003	181,647	-	373,650
Finance costs	2,130,921	512,759	-	2,643,680
Capital expenditures	3,248,614	140,710	-	3,389,324
Non-current operating assets	195,468,729	16,264,340	-	211,733,069

* Hotels' net operating revenues consist of the following:

	Operating revenues	Operating expenses	Net operating revenues
	JD	JD	JD
Hotel Intercontinental Jordan	25,515,319	(17,512,347)	8,002,972
Grand Hyatt Amman	17,262,941	(12,175,374)	5,087,567
Dead Sea Movenpick Hotel	13,234,727	(11,262,670)	1,972,057
Petra Movenpick Hotel	6,656,379	(3,852,067)	2,804,312
Aqaba Movenpick Hotel	8,000,133	(6,937,530)	1,062,603
Nabatean Castle Hotel	343,375	(480,611)	(137,236)
Tala Bay Movenpick Hotel	<u>11,692,959</u>	<u>(8,906,818)</u>	<u>2,786,141</u>
Total	<u>82,705,833</u>	<u>(61,127,417)</u>	<u>21,578,416</u>

20 Other Income

	2015	2014
	JD	JD
Rent	697,650	756,003
Reversal of provisions and other liabilities	638	44,788
Gain on sale of property and equipment	12,000	55,725
Gain on disposal of insured property and equipment	50,830	-
Dividends income	36,418	36,418
Others	<u>140,229</u>	<u>120,171</u>
	<u>937,765</u>	<u>1,013,105</u>

21 Administrative Expenses

	2015	2014
	JD	JD
Salaries and wages	1,262,680	1,193,277
Board of directors' remuneration	261,443	155,159
Bonuses	126,338	20,807
Provision for doubtful accounts	127,796	148,762
Donations	31,634	27,626
Governmental expenses	21,129	20,088
Hospitality	12,827	20,607
Insurance	469,901	478,942
Bank charges	128,375	133,492
Maintenance	38,420	44,323
Professional fees	349,406	204,865
Property tax	224,881	220,071
Postage and telephone	27,902	28,526
Rent	261,123	314,794
Subscriptions	34,442	36,522
Withholding tax	17,030	11,437
Travel and transportation	45,976	28,499
Advertising and marketing	3,795	9,451
Others	<u>384,958</u>	<u>541,092</u>
	<u>3,830,056</u>	<u>3,638,340</u>

22 Non-controlling Interests

This item represents the subsidiaries net equity after deducting the Holding Company direct and indirect interests, through its subsidiaries, in these subsidiaries.

23 Income Tax

Deferred tax liabilities

Deferred tax liabilities represent the estimated income tax on unrealized gain from financial assets at fair value through other comprehensive income which appear in the cumulative change in fair value in equity.

Movements on deferred tax liabilities are as follows:

	2015	2014
	JD	JD
Beginning balance	149,245	204,448
Change for the year	<u>(36,978)</u>	<u>(55,203)</u>
Ending balance	<u>112,267</u>	<u>149,245</u>

Income tax

The income tax stated on the consolidated statement of profit or loss represents the following:

	2015	2014
	JD	JD
Current year income tax	628,875	642,603
Prior years income tax	<u>19,286</u>	<u>130,174</u>
	<u>648,161</u>	<u>772,777</u>

Movements on the provision for income tax are as follows:

	2015	2014
	JD	JD
Beginning balance	582,194	362,709
Income tax for the year	628,875	642,603
Prior years income tax	19,286	130,174
Income tax paid	(552,450)	(553,292)
Ending balance	<u>677,905</u>	<u>582,194</u>

Below table shows the reconciliation between the accounting profit before income tax and taxable income:

	2015	2014
	JD	JD
Accounting (loss) profit before tax	(984,780)	2,164,189
Losses of the Company and other subsidiaries	4,130,523	3,304,375
Carried forward losses	-	(1,158,012)
Non-taxable income	(597,970)	(85,289)
Non-deductible expenses	<u>723,166</u>	<u>430,151</u>
Taxable income	<u>3,161,787</u>	<u>4,655,414</u>
Income tax expense for the year	<u>628,875</u>	<u>642,603</u>
Statutory tax rate	5% - 20%	5% - 14%
Effective tax rate	-	29.7%
Depreciation differences	(110,152)	-

The Income Tax provision represents income tax due on the results of operations of some of the Company's subsidiaries. No income tax provision was calculated for the Company and a number of its subsidiaries for 2015 due to the excess of deductible expenses over taxable revenues, in accordance with the Income Tax Law no. (34) of 2014.

The income tax provision due on the results of operations of some of the Company's subsidiaries for 2014 was calculated in accordance with the Temporary Income Law no. (28) of 2009.

The Income Tax Department has not reviewed the accounting records of the Company and a number of its subsidiaries for 2014 up to the date of these consolidated financial statements.

The Income Tax Department has reviewed the accounting records of Jordan Hotels and Tourism Company for 2012 but has not issued the final report until the date of these consolidated financial statements.

The Income Tax Department has reviewed the accounting records of the Company for the years 2012 and 2013 but has not issued the final report until the date of these consolidated financial statements.

The Company, Jordan Himmeh Mineral Company, Nabatean Hotels Company, Rum Hotels and Tourism Company, Oasis Hotels Company, National Hotels and Tourism Company, Red Sea Hotels Company, Zara Agricultural Company, South Coast Real Estate Development Company, South Coast Hotels Company, and Zara South Coast Development Company have obtained final clearances from the Income Tax Department up to 2011.

Jordan Hotels and Tourism Company, Levant Hotels and Tourism Company and Amman Tourism Investment Company have obtained a final clearance from the Income Tax Department up to 2014.

24 Basic and Diluted Earnings (Loss) per Share

	2015	2014
	JD	JD
Profit (loss) attributable to equity owners of the parent (JD)	(2,349,766)	464,061
Weighted average number of shares (Share)	<u>149,570,118</u>	<u>148,256,589</u>
Basic earnings per share (JD/Fils)	<u>(0/016)</u>	<u>0/003</u>

Basic and diluted earnings (loss) per share are equal.

25 Contingent Liabilities

The Group has outstanding bank guarantees of JD 1,103,000 as at 31 December 2015 (2014: JD 1,115,000).

26 Operating Lease Commitments

Group as a lessee

On 1 September 2015, the Company signed a renewable office lease agreement with Astra Company (sister company) for one year for JD 145,368 (2014: JD 145,368). Also, some of the Group's subsidiaries and hotels rent offices, stores, and land lots for a period ranging from one to five years. The future minimum rentals payable under operating leases at 31 December are as follows:

	2015	2014
	JD	JD
Within one year	407,297	427,589
After one year but not more than five years	<u>1,200,850</u>	<u>1,357,434</u>
	<u>1,608,147</u>	<u>1,785,023</u>

Group as a lessor

The Group has entered into commercial property leases on its investment properties. These leases have terms between one to ten years. The future minimum rentals receivable under operating leases as at 31 December are as follows:

	2015	2014
	JD	JD
Within one year	179,309	222,395
After one year but not more than five years	663,800	740,800
More than five years	<u>597,583</u>	<u>538,275</u>
	<u>1,440,692</u>	<u>1,501,470</u>

27 Litigations Against The Group

In the normal course of business, the Group appears as a defendant in a number of lawsuits amounting to JD 250,063 as of 31 December 2015. Management and the legal advisor believe that the Group's position holds strong against these lawsuits and no need for any provision except for what has been recorded.

A lawsuit was filed in the United States of America on 7 November 2007 against Zara Investment Holding Company, Amman Tourism Investment Company and nine other parties. The lawsuit alleges negligence with respect to the terrorist attack that took place at the Grand Hyatt Amman Hotel on 9 November 2005. During 2010, the court dismissed the legal case against the Company. Management and the legal advisor believe that no obligation will arise from these lawsuits.

28 Related Party Transactions

Following are the consolidated subsidiaries and they are all incorporated in Jordan:

	Paid-in Capital	Principal Activities	Ownership
	JD		%
Jordan Hotels and Tourism Co. PLC	10,000,000	Hotel InterContinental Jordan	51.6
Jordan Himmeh Mineral Co. PLC	500,000	Himmeh Resort	55.8
Nabatean Hotels Co. LLC *	2,800,000	Nabatean Castle Hotel	100
Levant Hotels and Tourism Co. LLC *	500,000	Petra Movenpick Hotel	100
Amman Tourism Investment Co. LLC	16,500,000	Grand Hyatt Amman Hotel, Hyatt Tower and Zara Center	100
Rum Hotels and Tourism Co. LLC	500,000	Tourism Project –Wadi Mousa	75
Oasis Hotels Co. LLC	1,600,000	Tourism Project - Dead Sea	92.2
National Hotels and Tourism Co. LLC	15,000,000	Dead Sea Movenpick Hotel	100
Jordan Hotel Supplies Trading Co. LLC	300,000	Gift Shops	100
Red Sea Hotels Co. LLC	17,000,000	Aqaba Movenpick Hotel	100
Zara Agricultural Co. LLC	100,000	Plants	54.3
South Coast Real Estate Development Co. LLC	10,050,000	Tourism Project- Aqaba	82
South Coast Hotels Co. LLC	4,800,000	Tourism Project - Aqaba	82
Zara South Coast Development Co. LLC	39,425,503	Tala Bay Movenpick Hotel - Aqaba	84.8

Related parties represent subsidiaries, major shareholders, and key management personnel of the Group.

Pricing policies and terms of transactions with related parties are approved by the Group's management.

* The extraordinary General Assembly of both companies held on 6 October 2015 approved the merge of Nabatean Hotels Company and Levant Hotels and Tourism Company where the former is the acquirer and the latter is the acquiree. The merge has not yet been concluded up to the date of those consolidated financial statements.

Balances of related parties included in the consolidated statement of financial position:

	2015	2014
	JD	JD
Bank balances – Arab Bank, Etihad Bank and Cairo Amman Bank	13,645,527	12,666,216
Long-term loans – Arab Bank, Etihad Bank and Cairo Amman Bank	20,754,133	28,769,767
Due to banks – Arab Bank, Etihad Bank and Cairo Amman Bank	1,768,582	33,725
Amounts due to Astra Investment Company	50,000	50,000
Amounts due from Cairo Amman Bank	25,612	10,505

Transactions with related parties included in the consolidated statement of profit or loss:

	2015	2014
	JD	JD
Financing costs – Arab Bank, Cairo Amman Bank and Etihad Bank	1,185,364	1,785,792
Interest income – Cairo Amman Bank and Etihad Bank	242,807	373,650
Rent income – Cairo Amman Bank	167,401	208,435
Rent expense – Astra Investment Company	146,088	146,088
Boards of directors' remuneration and transportation:		
- Zara Investment Company	153,443	101,159
- Jordan Hotels and Tourism Company	<u>153,000</u>	<u>99,000</u>
	306,443	200,159

Key management personnel compensation is as follow:

	2015	2014
	JD	JD
Salaries, compensation and other benefits	325,235	303,508

29 Partially Owned Subsidiaries

Below are the financial statements for subsidiaries (before elimination of transactions and inter-group balances) in which non-controlling interests own shares:

2015	Jordan Hotels and Tourism Co. PSC	Jordan Himmeh Mineral Co. PSC	Rum Hotels and Tourism Co. LLC
Group's ownership percentage	51.6%	55.8%	75%
Country of incorporation and operation	Jordan	Jordan	Jordan
Accumulated balance of non-controlling interests	14,811,885	465,503	51,564
Non-controlling interests share of profit (loss)	1,102,308	(9,713)	(788)
	JD	JD	JD
Condensed statement of financial position			
Current assets	5,511,681	524,298	5,569
Non-current assets	29,412,329	687,855	470,343
Current liabilities	(2,609,534)	(159,521)	(269,075)
Non-current liabilities	(1,683,334)	-	(581)
Equity	<u>30,631,144</u>	<u>1,052,632</u>	<u>206,256</u>
Attributable to:			
Shareholders of the parent	15,819,258	587,129	154,692
Non-controlling interests	14,811,885	465,503	51,564
Condensed statement of profit or loss			
Revenues	23,504,147	-	-
Expenses	(20,773,911)	(38,042)	(3,102)
Other revenues	252,454	16,079	-
Finance cost	(164,131)	-	(49)
Profit (loss) before income tax	2,818,559	(21,963)	(3,151)
Income tax expense	(538,974)	-	-
Profit (loss) for the year	<u>2,279,585</u>	<u>(21,963)</u>	<u>(3,151)</u>
Other comprehensive income	<u>2,297,585</u>	<u>(21,963)</u>	<u>(3,151)</u>
Attributable to non-controlling interests	<u>1,102,308</u>	<u>(9,713)</u>	<u>(788)</u>
Profit distributions to non-controlling interests	<u>725,335</u>	<u>-</u>	<u>-</u>
Condensed statement of cash flows			
Operating activities	6,351,498	(31,504)	(3,096)
Investing activities	(333,334)	11,024	-
Financing activities	(3,338,020)	21,504	5,050
Net increase (decrease) in cash and cash equivalent	<u>2,680,144</u>	<u>1,024</u>	<u>1,954</u>

Oasis Hotels Co. LLC	Zara Agricultural Co. LLC	South Coast Real Es- tate Development Co. LLC	South Coast Hotels Co. LLC	Zara South Coast Development Co. LLC
92.2%	54.3%	82%	82%	84.8%
Jordan	Jordan	Jordan	Jordan	Jordan
50,303	59,995	1,744,791	726,503	2,804,313
(1,103)	2,582	(1,262)	(985)	(374,213)
JD	JD	JD	JD	JD
214,874	119,192	5,450,930	1,963,035	3,063,070
532,788	17,733	4,856,662	2,076,174	25,263,090
(1,731)	(5,760)	(613,727)	(1,629)	(7,370,674)
<u>(102,053)</u>	-	<u>(581)</u>	<u>(1,454)</u>	<u>(2,528,571)</u>
<u>643,878</u>	<u>131,165</u>	<u>9,693,284</u>	<u>4,036,126</u>	<u>18,426,915</u>
593,575	71,170	7,948,493	3,309,623	15,622,601
50,303	59,995	1,744,791	726,503	2,804,313
-	176,700	-	-	9,781,658
(5,554)	(169,660)	(6,983)	(5,353)	(11,810,029)
-	15	19	3	76,492
<u>(8,573)</u>	-	<u>(49)</u>	<u>(122)</u>	<u>(507,042)</u>
(14,127)	7,055	(7,013)	(5,472)	(2,458,921)
-	<u>(1,411)</u>	-	-	-
<u>(14,127)</u>	<u>5,644</u>	<u>(7,013)</u>	<u>(5,472)</u>	<u>(2,458,921)</u>
<u>(14,127)</u>	<u>5,644</u>	<u>(7,013)</u>	<u>(5,472)</u>	<u>(2,458,921)</u>
<u>(1,103)</u>	<u>2,582</u>	<u>(1,262)</u>	<u>(985)</u>	<u>(374,213)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(4,611)	11,637	(6,209)	(5,166)	2,658,005
-	15	-	-	(477,441)
<u>5,195</u>	<u>24,908</u>	<u>7,997</u>	<u>6,938</u>	<u>(1,944,694)</u>
<u>584</u>	<u>36,560</u>	<u>1,788</u>	<u>1,772</u>	<u>235,870</u>

2014	Jordan Hotels and Tourism Co. PSC	Jordan Himmeh Mineral Co. PSC	Rum Hotels and Tourism Co. LLC
Group's ownership percentage	51.6%	55.8%	75%
Country of incorporation and operation	Jordan	Jordan	Jordan
Accumulated balance of non-controlling interests	14,434,912	475,216	52,352
Non-controlling interests share of profit (loss)	1,270,987	(7,121)	(994)
	JD	JD	JD
Condensed statement of financial position			
Current assets	3,631,370	509,951	3,621
Non-current assets	32,703,605	682,619	470,343
Current liabilities	(3,116,750)	(117,974)	(263,692)
Non-current liabilities	<u>(3,366,667)</u>	-	<u>(865)</u>
Equity	<u>29,851,558</u>	<u>1,074,596</u>	<u>209,407</u>
Attributable to:			
Shareholders of the parent	15,416,646	599,380	157,055
Non-controlling interests	14,434,912	475,216	52,352
Condensed statement of profit or loss			
Revenues	25,515,319	-	-
Expenses	(22,372,529)	(39,618)	(3,910)
Other revenues	323,862	23,517	-
Finance cost	<u>(418,735)</u>	-	<u>(67)</u>
Profit (loss) before income tax	3,047,917	(16,101)	(3,977)
Income tax expense	<u>(419,501)</u>	-	-
Profit (loss) for the year	<u>2,628,416</u>	<u>(16,101)</u>	<u>(3,977)</u>
Other comprehensive income	<u>2,628,416</u>	<u>(16,101)</u>	<u>(3,977)</u>
Attributable to non-controlling interests	<u>1,270,987</u>	<u>(7,121)</u>	<u>(994)</u>
Profit distributions to non-controlling interests	<u>483,556</u>	-	-
Condensed statement of cash flows			
Operating activities	7,196,304	(25,140)	(3,904)
Investing activities	(1,051,483)	23,907	-
Financing activities	<u>(3,118,895)</u>	-	<u>509</u>
Net increase (decrease) in cash and cash equivalent	<u>3,025,926</u>	<u>(1,233)</u>	<u>(3,395)</u>

Oasis Hotels Co. LLC	Zara Agricultural Co. LLC	South Coast Real Es- tate Development Co. LLC	South Coast Hotels Co. LLC	Zara South Coast Development Co. LLC
92.2%	54.3%	82%	82%	84.8%
Jordan	Jordan	Jordan	Jordan	Jordan
51,406	57,413	1,746,053	727,488	3,178,527
(1,330)	6,055	(591)	(730)	(338,925)
JD	JD	JD	JD	JD
278,935	108,066	5,449,767	1,969,027	3,499,353
532,788	21,376	4,856,662	2,076,174	29,001,759
(1,876)	(3,922)	(605,268)	(1,440)	(6,558,133)
<u>(151,843)</u>	<u>-</u>	<u>(865)</u>	<u>(2,163)</u>	<u>(5,057,142)</u>
<u>658,004</u>	<u>125,520</u>	<u>9,700,296</u>	<u>4,041,598</u>	<u>20,885,837</u>
606,598	68,107	7,954,243	3,314,110	17,707,310
51,406	57,413	1,746,053	727,488	3,178,527
-	178,810	-	-	11,692,959
(5,334)	(166,181)	(3,244)	(3,929)	(13,298,176)
-	8,238	27	40	41,230
<u>(11,692)</u>	<u>-</u>	<u>(67)</u>	<u>(166)</u>	<u>(663,062)</u>
(17,026)	20,867	(3,284)	(4,055)	(2,227,049)
<u>-</u>	<u>(7,629)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(17,026)</u>	<u>13,238</u>	<u>(3,284)</u>	<u>(4,055)</u>	<u>(2,227,049)</u>
<u>(17,026)</u>	<u>13,238</u>	<u>(3,284)</u>	<u>(4,055)</u>	<u>(2,227,049)</u>
<u>(1,330)</u>	<u>6,055</u>	<u>(591)</u>	<u>(730)</u>	<u>(338,925)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(4,355)	6,568	(3,837)	(3,923)	2,403,521
-	(16,050)	-	-	(156,743)
<u>651</u>	<u>(57,129)</u>	<u>747</u>	<u>847</u>	<u>(2,716,997)</u>
<u>(3,704)</u>	<u>(66,611)</u>	<u>(3,090)</u>	<u>(3,076)</u>	<u>(470,219)</u>

30 Risk Management

Interest rate risk

The Group is exposed to interest rate risk on its interest-earning assets such as bank deposits and interest-bearing liabilities such as loans and overdrafts.

The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in interest rates on the Group's profit for one year, based on financial assets and liabilities with floating interest rates.

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

2015	Increase in interest rate	Effect on profit for the year before tax
	Basis Points	JD
JD	75	(42,500)
USD	75	(213,661)

2014	Increase in interest rate	Effect on loss for the year before tax
	Basis Points	JD
JD	75	51,351
USD	75	300,158

The effect of decrease in interest rates is expected to be equal and opposite to the effect of the increase shown above.

Equity price risk

The following table demonstrates the sensitivity of the consolidated statement of other comprehensive income and the cumulative change in fair value of financial assets at fair value through other comprehensive income to reasonably possible changes in equity prices, with all other variables held constant.

2015	Increase in market index	Effect on the consolidated statement of other comprehensive income and equity
	%	JD
Amman Stock Exchange	10	1,171,998

2014	Increase in market index	Effect on the consolidated statement of other comprehensive income and equity
	%	JD
Amman Stock Exchange	10	1,429,577

The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

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 Group is exposed to credit risk on its bank balances, receivables and certain other assets as reflected in the consolidated statement of financial position.

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

The Group provides services to a large number of customers. No single customer accounts for more than 10% of outstanding accounts receivable at 31 December 2015.

Liquidity risk

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

The table below summarises the maturities of the Group's undiscounted financial liabilities based on contractual payment dates and market interest rate.

As at 31 December 2015	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	JD	JD	JD	JD	JD
Accounts payable and other liabilities	-	7,691,309	148,897	-	7,840,206
Due to banks	1,768,582	-	-	-	1,768,582
Loans	-	-	13,274,497	17,884,113	31,158,610
Total	<u>1,768,582</u>	<u>7,691,309</u>	<u>13,423,394</u>	<u>17,884,113</u>	<u>40,767,398</u>

As at 31 December 2014	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	JD	JD	JD	JD	JD
Accounts payable and other liabilities	-	9,000,484	198,338	-	9,198,822
Due to banks	33,725	-	-	-	33,725
Loans	-	-	13,839,412	31,156,116	44,995,528
Total	<u>33,725</u>	<u>9,000,484</u>	<u>14,037,750</u>	<u>31,156,116</u>	<u>54,228,075</u>

Currency risk

Most of the Group's transactions are in Jordanian Dinars and US Dollars. The Jordanian Dinar exchange rate is fixed against USD (US\$ 1.41 for JD 1). Accordingly, the Group is not exposed to significant currency risk.

31 Fair Value of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, accounts receivable and some other current assets. Financial liabilities consist of loans, due to banks, accounts payable, and some other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

The fair of value of the quoted shares are measured at fair value determined using level one and three in the fair value hierarchy as follows:

	31 December 2015			
	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
Financial assets at fair value through other comprehensive income (quoted)	<u>513,487</u>	<u>-</u>	<u>11,206,493</u>	<u>11,719,980</u>

	31 December 2014			
	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
Financial assets at fair value through other comprehensive income (quoted)	<u>640,950</u>	<u>-</u>	<u>13,654,815</u>	<u>14,295,765</u>

Investments in unquoted shares are carried at cost. Management believes that the fair value of these _____ are not materially different from its cost.

32 Capital Management

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

The Group 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 during the current and previous year.

Capital comprises of paid-in capital, statutory reserve, voluntary reserve, cumulative change in fair value or accumulated losses, and is measured at JD 159,847,794 as at 31 December 2015 (2014: JD 162,993,165).

33 Standards Issued But Not Yet Effective

IFRS 15 Revenue from Contracts with Customers

IFRS (15) specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS (17) "Leases". IFRS (15) supersedes IAS (11) "Construction Contracts", IAS (18) "Revenue", IFRIC (13) "Customer Loyalty Programmes", IFRIC 1(5) "Agreements for the Construction of Real Estate", IFRIC (18) "Transfers of Assets from Customers"; and SIC (31) "Revenue"—Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2018, and early adoption is permitted.

IFRS 9 Financial Instruments

During July 2014, the IASB issued IFRS (9) "Financial Instruments" with all three phases. IFRS (9) sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS (9) replaces IAS (39) "Financial Instruments: Recognition and Measurement". The Group has implemented the first phase of IFRS 9 as issued during 2009 noting that the date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The new version of IFRS (9) will be implemented at the mandatory date of 1 January 2018, which will have an impact on the recognition and measurement of financial assets.

Amendments Issued But Not Yet Effective

Equity Method in Separate Financial Statements (Amendments to IAS 27 and IFRS 1)

In August 2014, the IASB amended IAS 27 Separate Financial Statements which restore the option for entities, in the separate financial statements, to account for investments in subsidiaries, associates and joint ventures using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

The amendments are effective for annual periods beginning on or after 1 January 2016, must be applied retrospectively and earlier adoption is permitted.

IAS 1 Presentation of Financial Statements – Amendments to IAS 1

The amendments to IAS 1 include narrow-focus improvements related to :

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income (OCI) arising from equity accounted investments

These amendments are not expected to impact the Group's financial position or performance. The application of the amendments is not expected to have a significant impact on the Group's disclosures.

The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

Investment Entities (Amendments to IFRS 10 and IAS 28)

The amendments address the issues arising in practice in the application of the investment entities consolidation exception and clarify that:

- The exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity: The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

Clarification of Acceptable Methods of Depreciation and Amortization – Amendments to IAS (16) and IAS (38)

The amendments clarify the principle in IAS (16) and IAS (38) that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the consolidated financial statements of the Group.

IFRS (16) “Leases”

During January 2016, the IASB issued IFRS (16) “Leases” which sets out the principles for the recognition, measurement, presentation and disclosure of leases.

IFRS (16) substantially carries forward the lessor accounting requirements in IAS (17). Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS (16) introduced a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted.

Accounting for Acquisitions of Interests – Amendments to IFRS (11) “Joint Arrangements”

The amendments to IFRS (11) require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS (3) principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not re-measured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS (11) to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

34 Comparative Figures

Some of 2013 figures have been reclassified in order to conform with the presentation of 2014 figures. Such classification does not affect previously reported profit or equity.

Board Declarations

1. The Board of Directors confirms that it knows of no existing substantial matters that may affect the Company's continuity in the next fiscal year.
2. The Board of Directors assumes full responsibility for the preparation of the consolidated financial statements and for ensuring that an effective control system is in place.
3. The Chairman, General Manager, and Chief Financial Officer assume responsibility for the entirety, accuracy, and completeness of the information and data presented in the report.

Chairman	General Manager	CFO
Sabih Taher Darwish Masri	Lina Mazhar Hassan Annab	Ahmad Ibrahim Mohammad Jamjoum

Recommendations for the General Assembly

4. Recitation of the auditor's report for the fiscal year ending 31/12/2015.
5. Recitation and discussion of the Board of Directors report for the year ending 31/12/2015 and its approval.
6. Discussion of the Company's consolidated financial statements as of 31/12/2015 and its approval.
7. Release of the Board of Directors of any liability in accordance with the law.
8. Election of the Company's auditors for the year ending 31/12/2016 and determination of their fees.
9. Any other matters the General Assembly may propose for discussion.

Finally, the Board of Directors would like to reiterate its thanks and appreciation for your support of the Company's goals, wishing you, the Company and its employees continued prosperity and success.

Board of Directors