Zara Investment Holding

شركة زارة للاستثمار القابضة

Zara Investment (Holding) Company PSC

24th Annual Report 2017

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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

Tarik Ahmed Al-Fetory Koshlaf
Member/Representing
Libyan Foreign Investments Company
from 28/5/2017

Khaled Joma Miloud Ezarzor
Member/Representing
Libyan Foreign Investments Company
till 27/5/2017

Jamila Tawfiq Mahmoud Mahasneh
Member/Representing
Social Security Corporation

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

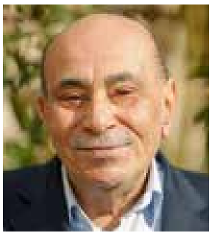
Nawaf Abdel-Rahman Bin Ali Al-Turki
Member

Yassin Khalil "Mohammad Yassin" Talhouni
Member

Nafez Saleh Odeh Mustafa
Member

Isam Halim Jeries Salfiti
Member/Representing
Bank Al-Etihad

Yazid Adnan Mustafa Mufti
Member



"Mohammad Osama" Jawdat sha'sha'a
Member

Haidar Izzat Rashid Touran
Member/Representing
Rama Investment & Saving Company

Yassin Khalil "Mohammad Yassin" Talhouni
General Manager

Ernst & Young
External Auditors

Ittqan Law Firm
Legal Advisor / Wael Karaen

Sabih Taher Darwish Masri
Chairman of the Board of Directors

Esteemed Ladies and Gentlemen,

Despite the continuing regional political turmoil and the global economic volatility, the tourism sector in Jordan was able to weather these obstacles, which positively impacted year-end results.

Consolidated operating revenues declined by 3% in 2017 to reach JD 67.7 million compared with JD 69.8 million in 2016. Consolidated net operating revenues declined to reach JD 18.1 million, down by 6% over 2016. Consolidated net profit increased by 151% to reach JD 6.7 million compared with JD 2.7 million for 2016. The 3% decrease in revenues was triggered by a 6% decrease in the combined average room rate (ARR) from JD 109 in 2016 to JD 102, which was compensated by an increase of 2% in the overall occupancy, which reached a combined rate of 53% for all of Zara hotels compared with 52% in 2016.

Amidst a challenging regional backdrop, Jordan's economy remains sluggish, though it is undergoing a modest pick-up in 2017, owing to resurgence in tourism and mining quarrying. Consistent with 2016, real GDP growth was 2.3% propelled by a robust performance in tourism, which posted double digits growth in receipts and arrivals.

The tourism sector, whose contribution accounts for around 13% of GDP and 7% of gross value added, maintained its position. In line with UNWTO 2017 growth estimates of 5% in international tourist arrivals to the Middle East, arrivals to Jordan increased in 2017 by 9% to reach 5.2 million overnight visitor, and the tourism income increased in 2017 by 13% to reach JD 3.2 billion.

In 2017, Zara continued to maintain its leading market position and share of the 5-star room inventory in Jordan. Zara also maintained its market leadership in terms of the number of persons employed by the hospitality sector. Employment in the 5-star hotels segment in Jordan reached 9,000 persons in 2017 of which Zara employs approximately 23%; while employment in the hospitality sector reached 50,000 in 2017 of which Zara employs approximately 4%. In 2017, we maintained our commitment to upholding the highest standards in our operations underpinned by the right culture, values, practices and behaviors.

Our hotels continued to be distinguished in 2017. Hotel InterContinental Jordan, Mövenpick Resort Petra and Mövenpick Resort & Spa Tala Bay Aqaba were all ranked number one in their respective geographical areas in terms of revenue generation and gross operating profits. Mövenpick Resort Petra maintained an impressive leadership position by achieving the best 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. Hotel Intercontinental Jordan won the prestigious public shareholding companies' award from Jordan Securities Commission (Jordanian Association for Securities Investors) for the year 2017. Mövenpick Resort & Spa Dead Sea won Travel Guide Award as Jordan's luxury spa & family retreat resort in 2017. For the third year in a row, Mövenpick Resort & Spa Tala Bay Aqaba won Travel Guide Award as Jordan's leading & luxury resort in 2017.

Himmeh Mineral Company witnessed an extremely important development in 2017, by obtaining title deads to all plots in order to embark on a 3-star eco-lodge resort, which promises to be a wonderful addition to our portfolio of hotels.

In 2017, we continued the comprehensive revamp of the way we manage our assets, a project we undertook as of late 2015. In doing so we were 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 keep on revisiting our business model to render it more efficient and relevant.

In attempting to replace traditional energy sources with more cost–efficient clean renewable ones, Zara finalized an agreement for a Photovoltaic (PV) System based on the recently enacted Wheeling Law. Once fully developed in 2018, this PV system is expected to meet 50%-60% of current electricity consumption needs of Zara hotels.

Establishing a benchmark for the 5-Star hotels in Jordan; Zara continues to collect the data for each region in which it operates on a monthly basis. This benchmark has established a database with a tracked history and is shared with property owners. New comers will also be added to the database to provide transparent information to the sector.

Over the past seven years, Zara has managed to reduce its long-term indebtedness by 92% from JD 90.4 million ending 2010 to JD 7.5 million ending 2017. Thanks to the positive operating cash flows and the restructure of the Company's capital, which resulted in substantial reduction in financing costs, Zara is approaching the full repayment of its entire debt to local and international lending institutions by end of 2018. This will eventually allow the utilization of realized profits for expansion and dividend distribution.

Our outlook remains positive for 2018, however, we will continue to limit and prioritize the execution of new capital investment projects based on urgency and need. We will enhance the implementation of cost-cutting measures to improve efficiency. Renewable and clean energy production projects will continue with a special emphasis on regulatory changes allowing us to consider 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. Contribution to human resources training and development of tourism product in Jordan will be one of our key objectives.

Our target in 2018 will be to fully embrace what we have achieved and to build on it as we move into the future to ensure profitable growth and returns. We will continue to set the benchmark in the way we welcome and serve our guests. To achieve this, we will keep on reengineering and improving our business models to ensure excellence through better management of operations.

On behalf of the board of directors, I would like to thank all our shareholders and partners for their trust and continuing support. Our gratitude also goes to all the wonderful women and men who have continuously proved us right about how amazing they are. 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


Mövenpick Resort & Spa Dead Sea

Welcome to the 24th annual meeting of the ordinary general assembly of the shareholders of Zara Investment (Holding) Company.

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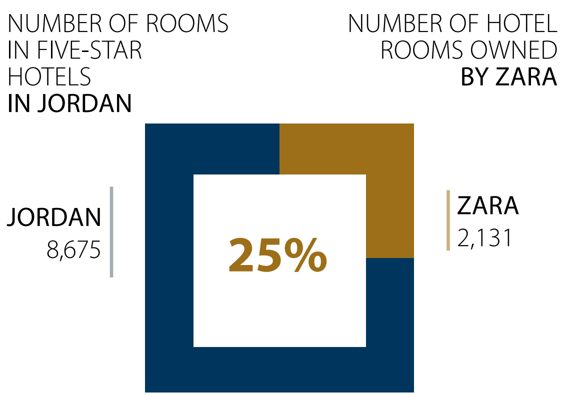


HOTEL INDUSTRY KEY INDICATORS FOR 2017 COMPARED TO 2016

	2017	2016	Variance %
Number of overnight visitors	5,193,139	4,778,529	8.7%
Tourism income (million JD)	3,230	2,871	12.5%
Average length of stay (night)	4.3	4.1	4.9%
Number of classified hotels	259	255	1.6%
Number of hotel rooms	21,264	21,129	0.6%
Number of beds	37,086	36,815	0.7%
Number of employees	50,057	50,359	-0.6%

Source: Ministry of Tourism and Antiquities

5-STAR HOTEL KEY INDICATORS FOR 2017 COMPARED TO 2016

	2017	2016	Variance %
Number of 5- star hotels	33	32	3%
Number of 5-star hotel rooms	8,675	8,395	3%
Number of hotel rooms owned by Zara Investment (Holding) Company	2,131	2,131	-
Rooms owned by Zara - % of total	24.6%	25.4%	-3%

Source: Ministry of Tourism and Antiquities

2.A MAIN ACTIVITIES OF THE COMPANY

MOTHER COMPANY	PAID-UP CAPITAL / JD	MAIN ACTIVITY	HEAD QUARTER	NO. OF EMPLOYEES
Zara Investment (Holding) Company PSC	150,000,000	Hotel, tourism and general investments	Amman	29

Consolidated total assets

JD 213,576,931

2.B SUBSIDIARIES

SUBSIDIARY	PAID UP CAPITAL / JD	MAIN ACTIVITY	Head Quarter	SHAREHOLD-ING %	NUMBER OF EMPLOYEES
Jordan Hotels and Tourism Company PSC	10,000,000	Owner of Hotel InterContinental Jordan	Amman	51.6%	481
Jordan Himmeh Mineral Company PSC	500,000	Owner of Jordan Himmeh Resort – Mukhaibeh	Amman	55.8%	3
Nabatean Hotels Company LLC	3,300,000	Owner of Mövenpick Nabatean Castle Hotel and Mövenpick Resort Petra	Amman	100%	191
Amman Tourism Investment Company LLC	16,500,000	Owner of Grand Hyatt Amman Hotel, Hyatt Tower, and Zara Center	Amman	100%	323
Rum Hotels and Tourism Company LLC*	700,000	Owner of tourism project Tybeh – Petra, owner of 66 donum	Amman	82.1%	-
Oasis Hotels Company LLC	1,600,000	Owner of tourism project - Dead Sea, owner of 34 donum	Amman	92.2%	-
National Hotels and Tourism Company LLC	15,000,000	Owner of Mövenpick Resort & Spa Dead Sea	Amman	100%	452
Jordan Hotel Supplies Trading Company LLC	330,000	Owner of Souk Zara gift boutiques	Amman	100%	21
Red Sea Hotels Company LLC	17,000,000	Owner of Mövenpick Resort & Residence Aqaba	Aqaba	100%	267
Zara Agricultural Company LLC	100,000	Owner of tourism project Tybeh – Petra, owner of 66 donum	Amman	54.3%	4
South Coast Real Estate Development Company LLC	10,050,000	Real estate development – Aqaba South Coast (Ras Al Yamaniya) owner of 528 donum	Aqaba	82%	-
South Coast Hotels Company LLC	4,800,000	Real estate development – Aqaba South Coast (Ras Al Yamaniya) owner of 94 donum	Aqaba	82%	-
Zara South Coast Development Company LLC	39,425,503	Owner of Mövenpick Resort & Spa Tala Bay Aqaba	Aqaba	84.8%	270
Zara Agricultural Services and Marketing Company LLC**	5,000	Maintenance of agricultural sites	Aqaba	100%	-
Total number of employees					2,041

* The land classification was changed from archaeological to tourist on 16/2/2017.

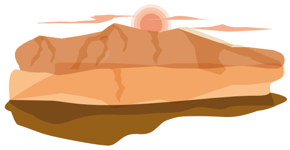
** Zara Agricultural Services and Marketing LLC was established on 16/5/2017 in Aqaba Special Economic Zone.

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

Wadi Rum Protected Area

#JO_UNESCO_Sites

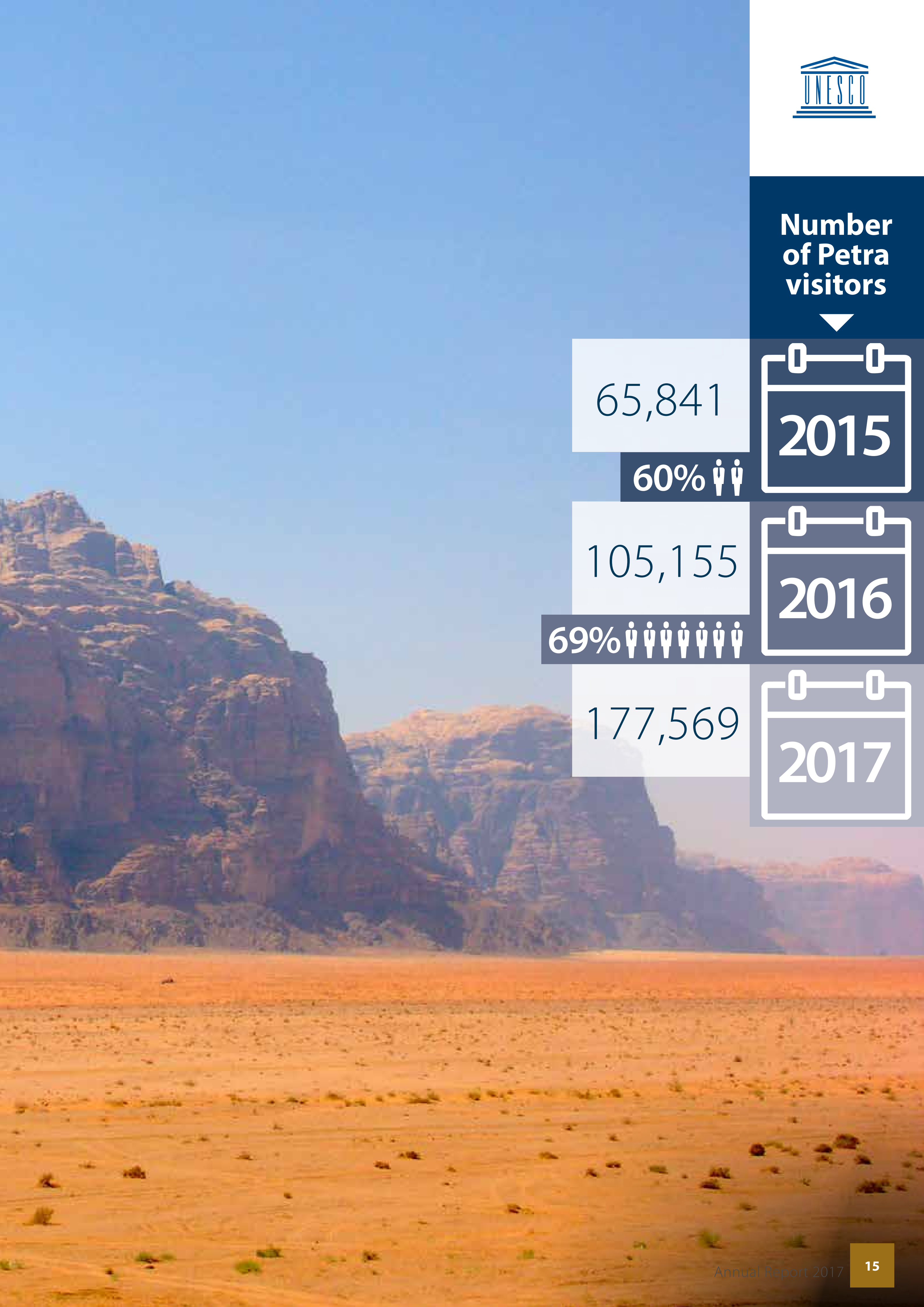
Mixed Site



Date of Inscription

2011

The 74,000-hectare property, inscribed as a mixed natural and cultural site, is situated in southern Jordan, near the border with Saudi Arabia. It features a varied desert landscape consisting of a range of narrow gorges, natural arches, towering cliffs, ramps, massive landslides and caverns. Petroglyphs, inscriptions and archaeological remains in the site testify to 12,000 years of human occupation and interaction with the natural environment. The combination of 25,000 rock carvings with 20,000 inscriptions trace the evolution of human thought and the early development of the alphabet. The site illustrates the evolution of pastoral, agricultural and urban activity in the region.



Number of Petra visitors

2015	65,841
	60%
2016	105,155
	69%
2017	177,569

NAME	REPRESENTATIVE	POSITION	JOINED	REPRESENTATIVE APPOINTED ON
Sabih Taher Darwish Masri	-	Chairman	1999	-
Khaled Sabih Taher Masri	-	Vice-Chairman	1994	-
Al-Masira Investment Company	Kamil Abdel-Rahman Ibrahim Sadeddin	Member	1994	14/2/2004
Libyan Foreign Investments Company	Tarik Ahmed Al-Fetory Koshlaf	Member from 28/5/2017	2017	28/5/2017
	Khaled Joma Miloud Ezarzor	Member till 27/5/2017	2000	16/7/2013
Social Security Corporation	Jamila Tawfiq Mahmoud Mahasneh	Member	2000	20/10/2011
Cairo Amman Bank	Kamal Ghareeb Abdel-Rahim Al Bakri	Member	1994	15/6/2007
Yassin Khalil "Mohammad Yassin" Talhouni	-	Member	2000	-
Nafez Saleh Odeh Mustafa	-	Member	2003	-
Bank Al-Etihad	Isam Halim Jeries Salfiti	Member	1994	28/7/1994
Yazid Adnan Mustafa Mufti	-	Member	2000	-
"Mohammad Osama" Jawdat Sha'sha'a	-	Member	2008	-
Rama Investment & Saving Company	Haidar Izzat Rashid Touran	Member	2015	1/9/2015
Nawaf Abdel-Rahman Bin Ali Al-Turki	-	Member	2016	-

DOB	DEGREE	GRAD. DATE	PROFESSION	MEMBERSHIPS
2/12/1937	B.S. Chemical Engineering	1963	Businessman	• Arab Bank / Chairman
19/2/1966	M.B.A. Business Administration	1989	Businessman	• Jordan Himmeh Mineral Company / Chairman • Jordan Hotels and Tourism Company
26/7/1951	High Diploma Civil Engineering	1975	Vice President/Arab Supply & Trading Corp. (Astra Group)	• Astra Industrial Group (Saudi Arabia) • Palestine Development and Investment Company • Jordan Hotels and Tourism Company
10/3/1975	B.S. Financial Management	2000	Assistant Director of Commercial Holding Companies	• Libian Foreign Investments Company-Algeria (LAFICO Algeria Holding)
25/4/1973	B.A. Accounting	2000	Head of Financial Analysis Department -LAFICO	-
01/3/1963	M.A. Economics	1999	Amman Main Branch Manager - Social Security Corporation	-
7/6/1969	LL.B.	1991	General Manager - Cairo Amman Bank	• Jordan Express Tourist Transport Company (JETT) / Chairman • Jordan Insurance Company
8/5/1973	B.A. Economics	1994	Businessman	• Jordan Hotels and Tourism Company / Vice-Chairman • Jordan Himmeh Mineral Company • Cairo Amman Bank • Jordan Electricity Company
12/12/1934	-	-	Businessman	• Jordan Hotels and Tourism Company
23/5/1944	B.A. Economics	1967	Businessman	• Bank Al Etihad / Chairman • Jordan Hotels and Tourism Company / Chairman
27/3/1953	B.A. Business Administration	1976	Businessman	• Cairo Amman Bank / Chairman • Middle East Insurance Company • Palestine Development and Investment Company
1/6/1942	High Diploma International Economics	1967	Businessman	• Jordan Insurance Company
3/3/1946	PHD in Political Economy	1994	-Various positions in banking business at Jordan Ahli Bank -Secretary at International Relations	• Employment-Technical and Vocational Education and Training Council • Project Financing Committee of the Employment Council • Steering Committee of the Employment National Strategy • Executive Committee of Jordan Federation Trade Union
17/6/1986	B.A. Banking and Finance	2010	Managing Director A. A. TURKI GROUP (ATCO)	• Redland Industrial Services (Arabia) LTD. • RAMKY-ATCO Environmental Services LTD. • Keller Turki LTD. • Honeywell Turki Arabia LTD.

NAME	POSITION	Professional Experience
Yassin Khalil "Mohammad Yassin" Talhouni	General Manager	• Jordan Hotels and Tourism Company / Vice-Chairman • Jordan Himmeh Mineral Company • Cairo Amman Bank • Jordan Electricity Company
Date of Appointment	**DOB**	
1/6/2016	8/5/1973	
Degree	**GRADUATION DATE**	
B.A. Economics	1994	

NAME	POSITION	Professional Experience
Ahmad Ibrahim Mohammad Jamjoum	Chief Financial Officer	• 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)
Date of Appointment	**DOB**	
1/11/2008	16/11/1964	
Degree	**GRADUATION DATE**	
-M.A. Accounting Systems and Auditing - University of Georgia, Athens, USA -CPA - American Institute of Certified Public Accountants	1991	

NAME	POSITION	Professional Experience
Haitham "Mohammad Nazih" Nureddin Hanbali	Financial Controller	• Held several financial consulting and auditing positions at local and regional consulting firms.
Date of Appointment	**DOB**	
7/1/2007	31/7/1969	
Degree	**GRADUATION DATE**	
-M.A. Banking and Finance -Institute of Banking Studies -CPA - American Institute of Certified Public Accountants	2013	

4. MAJOR SHAREHOLDERS AND NUMBER OF SHARES HELD COMPARED WITH 2016

NAME	NO. OF SHARES AS OF 31/12/2017	PERCENTAGE %	NO. OF SHARES AS OF 31/12/2016	PERCENTAGE %
Al-Masira Investment Company	20,097,424	13.40%	20,097,424	13.40%
Libyan Foreign Investments Company	19,539,532	13.03%	19,539,532	13.03%
Social Security Corporation	18,506,245	12.34%	18,506,245	12.34%
Al-Masira International – Bahrain	14,743,804	9.83%	14,743,804	9.83%
Arab Supply and Trading Corporation	11,008,354	7.34%	11,008,354	7.34%
Cairo Amman Bank	9,990,084	6.66%	9,990,084	6.66%
Mohammed Bin Abdel-Rahman Bin Hamad Al-Sheik	6,000,000	4%	6,000,000	4%
Abdel-Rahman Bin Ali Bin Abdel-Rahman Al-Turki	6,000,000	4%	6,000,000	4%

LARGEST OWNER OF 5–STAR HOTELS

27%

ZARA MARKET SHARE OF THE 5-STAR HOTEL REVENUES IN JORDAN

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. Zara enjoys the leading position of being one of the top investment companies in Jordan in the hospitality sector, capturing 27% market share of the 5-star hotel revenues in Jordan. Zara market leadership is also manifested in relation to it's paid-up and registered capital, and net book value of property and equipment which stand at JD 150 million / share and JD 167 million respectively as of 31/12/2017.

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 2017, all properties of Zara maintained their leadership position in the market. Hotel Intercontinental Jordan achieved the highest revenue and operating profit in Amman. Mövenpick Resort Petra achieved the highest revenue and operating profit in Petra. Mövenpick Resort Talabay Aqaba maintained its first level in terms of revenues and operating profits.

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.

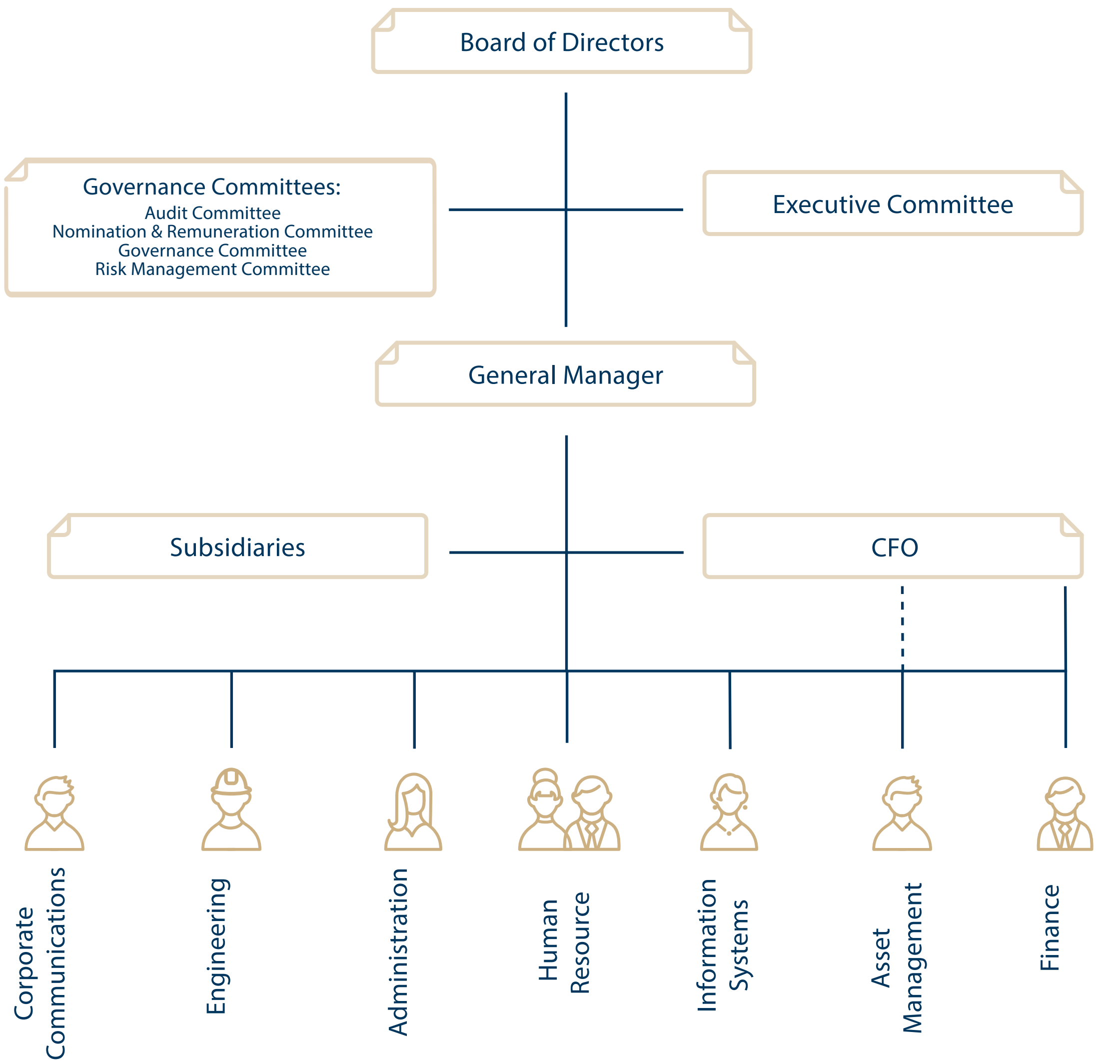
7. GOVERNMENTAL PROTECTION OR PRIVILEGES ENJOYED BY THE COMPANY

There are no governmental protection measures, nor privileges enjoyed by the Company or any of its product in accordance with local regulations.

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

All of Zara hotels and resorts have benefited from the exemptions stipulated in the Investment Promotion Law and Investment Commission Law (previously Development Zone). These exemptions cover duties and taxes on procurement 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 PSC	-	2	-	20	2	5	29
SUBSIDIARIES							
Jordan Hotels and Tourism Company PSC	-	4	1	94	82	300	481
Jordan Himmeh Mineral Company PSC	-	-	-	-	-	3	3
Nabatean Hotels Company LLC	-	-	-	18	6	167	191
Amman Tourism Investment Company LLC	-	3	-	54	45	221	323
Rum Hotels and Tourism Company LLC	-	-	-	-	-	-	-
Oasis Hotels Company LLC	-	-	-	-	-	-	-
National Hotels and Tourism Company LLC	-	3	-	86	47	316	452
Jordan Hotel Supplies Trading Company LLC	-	-	-	7	2	12	21
Red Sea Hotels Company LLC	-	-	-	36	61	170	267
Zara Agricultural Company LLC	-	-	-	-	-	4	4
South Coast Real Estate Development Company LLC	-	-	-	-	-	-	-
South Coast Hotels Company LLC	-	-	-	-	-	-	-
Zara South Coast Development Company LLC	-	-	-	84	104	82	270
Zara Agricultural Services and Marketing Company LLC *	-	-	-	-	-	-	-
Total	-	12	1	399	349	1,280	2,041

* Zara Agricultural Services and Marketing Company LLC was established on 16/5/2017 in Aqaba Special Economic Zone.

9.C QUALIFICATION AND TRAINING PROGRAMS FOR COMPANY EMPLOYEES

COURSE DESCRIPTION	NUMBER OF EMPLOYEES
Corporate Governance	22
Essential Management Techniques	4
Professional Presentation Skills	3
Pathway to Professional Program	685
Safety and Chemical Training	37
Soft Communication Skills	943
Privacy and Information Security	1,865
Security Awareness and Basic Safety Procedures	1,438
Creating Connections	892
Key Essentials of Personal Hygiene & Food Safety	890
F&B Selling Techniques	232
Green Key for Energy Conservation and Environmental Training	1,001
Making the most of Annual Performance Review	320
Discovery program	425
Financial Documents Awareness	63
4 Corner Stones and Brand Promise - we make moments	1,033
Conflict of Interest Disclosure	173
Pulse Awareness Session	834
Arabic Language, Secretarial Programs A/E & Computer Skills	293
Human Resources Workshop	6

COURSE DESCRIPTION	NUMBER OF EMPLOYEES
Special Situations Management	37
Purpose and Brand Workshop	821
Handling Guest Requests and Problems	1,480
Off Job and On Job Training Skills	878
Complaint Handling- Restoring the Trust- Employees	977
Quality Service Standards	1,064
Internship for Students – Royal Academy / VTC	52
Technical Training Skills	1,208
E-Learning Training System MHR	502
Lobester Ink Online Learning	27
Hiring and Welcoming New Employees Program (Orientation)	612
Departmental Trainers Workshop	52
New Managers Development Core Skills	92
My Learning Tool	23
Revenue Management Training in Sales & Reservation Program	30
Lessons in management Leadership	138
Digital Marketing & Media Communications Workshop	230
Internal Cross Training	59
Food and Drug Association Workshop	5
Food Photography Workshop	3
Coaching for Excellence	117
Total	**19,566**

10. RISKS

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

Petra

Date of Inscription

1985

#JO_UNESCO_Sites

Cultural Site

Inhabited since prehistoric times, this Nabataean caravan-city, situated between the Red Sea and the Dead Sea, was an important crossroads between Arabia, Egypt and Syria-Phoenicia. Petra is half-built, half-carved into the rock, and is surrounded by mountains riddled with passages and gorges. It is one of the world's most famous archaeological sites, where ancient Eastern traditions blend with Hellenistic architecture.

Number of Petra visitors

Year	Visitors
2015	430,106
2016	464,154
2017	620,367

8%

34%

11. COMPANY'S ACHIEVEMENTS IN 2017

ZARA INVESTMENT (HOLDING) COMPANY

- Achieving a net profit of JD 6.7 million, compared to a profit of JD 2.7 million despite the decline in operating revenues of JD 2.1 million, due to the improvment of operational efficiency.
- Application of performance monitoring standards and modification of immediate implementation plans.
- Improving the hotels' operational performance through follow up by Asset Management Department.
- Active involvement in the development of local community by engaging in activities promoting livelihood and environmental awareness like SOS visits, hosting World Associates students, participating in the beach and dive clean-ups through Clean-Up the World Campaign, donating to charities and less fortunate through the "A Kilo of Kindness Campaign" and hosting internship programs for students from Les Roches academy.
- Timely repayment of loan installments on due dates.
- Establishment of Zara Agricultural Services and Marketing Company LLC on 16/5/2017 in Aqaba Special Economic Zone, to take advantage of tax benefits and customs exemptions.
- Changing the land classification of Rum Hotels and Tourism Company LLC from archaeological to tourist on 16/2/2017.

Application of performance monitoring standards and modification of immediate implementation plans

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

- Received the prestigious public shareholding companies' award from Jordan Securities Commission (Jordanian Association for Securities Investors) on 6/5/2017.
- Renewed ISO 22000 Food Safety Management System certificate.
- The Regional Risk Manager was highly commended as "Safety & Security Person" of the year during Hotelier Middle East Awards 2017.
- Won the Luxury Business Hotel-Jordan and Luxury Hotel & Conference Centre by World Luxury Hotels Awards 2017.
- Won TripAdvisor Certificate Excellence and Travelers Choice Awards from TripAdvisor.
- Burj Al Hamam Restaurant won the World Luxury Restaurant Award and the Living Well Award for the best restaurant in Jordan for 2017.
- F&B & House Keeping teams won 11 medals in HORECA Jordan 2017.
- Enrolled 5049 new members to IHG Rewards Club members.
- Earned Trust Program Certificate which proofs that the hotel applies the highest food safety criteria.
- Recognized at Abu Dhabi for its loyalty recognition efforts.
- Earned the silver award for 5-stars hotel category at Jordan Hotel Association Awards Ceremony.

JORDAN HIMMEH MINERAL COMPANY,

OWNER OF JORDAN HIMMEH RESORT – MUKHAIBEH

- Signing the design and operation agreements in the second quarter of 2017 to build a distinctive environmental hotel. Such agreements are important for the implementation of the Company's long-run strategy which aims to develop the area environmentally, socially and economically.
- Acquiring clean and clear title deeds to all lands which allows for he unification necessary to embark an environmental hostel project.

NABATEAN HOTELS COMPANY,

OWNER OF MÖVENPICK NABATEAN CASTLE HOTEL & MÖVENPICK RESORT PETRA

- Active involvement in the development of local community by engaging in activities promoting livelihood and environmental donating to charities and less fortunate through the "A Kilo of Kindness Campaign, sponsoring the "step for life" initiative" to support cancer patients and KHFC.
- Hosted press and bloggers' trips in addition to social media activists and influencers from all over the world like Vogue Magazine.
- Awarded TripAdvisor Certificate of Excellence, Holiday Check and Zoover Awards.
- Implementing Micros Symphony 2 program for Food & Beverage.
- Renewal of Green Globe and Green Key certification.
- Renewal of ISO 22000 Food Safety Management System certificate.
- Honoured by King Hussein Cancer Foundation for sponsoring the "Room for Hope" initiative.
- Improvements on safety and security measures.
- Continuing the replacment of traditional lighting by energy saving LEDs.
- Charity initiatives during Ramadan and school season (Kilo of Kindness).
- Support Petra National Trust (PNT) initiatives.
- Supporting trainees from vocational centers and Al Hussein University.
- Selective employees participated in "Pathways to Professionalism" launched by USAID (USAID Building Economic Sustainability through Tourism Project
- Hosted fam trips in collaboration with different tourism sector aiming to increase awareness of Mövenpick Hotels & Resorts as well as to showcase what Jordan has to offer.
- Operating Movenpick Nabatean Castle Hotel in full capacity.

AMMAN TOURISM INVESTMENT COMPANY,

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

- Hosted Queen Rania Teachers Academy for 1000 participants.
- Hosted the city wide recognized pop-up Club CLSTR as of December 2017 until April 2018.
- Renewed Lufthansa crew for another 3 years starting 2018.
- Hosted FIEP conference for Directors of Gendarmerie.
- Hosted President Erdogan's visit in Jordan.
- Participated in HORECA event where 11 of our associates won one or more awards in different competitions.
- Hosted 20 orphans for an evening filled with festive entertainment and food so they too can enjoy the holiday season as a way of giving back to our community. The event was concluded with a tree lighting ceremony.
- Managed to volunteer in a full house renovation for a needy family in Ajloun as part of the Global Month of Service to support the community in collaboration with Tkiyet Um Ali.
- Held charity iftars during the holy month of Ramadan as part of Corporate Social Responsibility.
- Hosted 55 women from the Jordan Association for the Victims of Family Violence.
- Participated in several sport events to promote the company and friendly-sport culture in Jordan.

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

- Active involvement in the development of local community by engaging in activities promoting livelihood and environmental awareness like SOS visits, participating in the beach and dive clean-ups through Clean-Up the World Campaign, donating to charities and less fortunate through the "A Kilo of Kindness Campaign", and USAID.
- Zara Spa has been recommended by Conde Nast Johansen for 2017.
- Won Travel Guide Award as Jordan's luxury spa and family retreat resort.
- Received Green Globe certification for the seventh year in a row.
- Enhanced the wellbeing of guests by adding a runway and yoga area.
- Replaced Micros 7900 by Symphony II POS application (cloud hosting from Oracle).
- Achieved two outstanding awards at the Hotelier Middle East Awards for the Director of PR & Marketing and the Director of IT.
- Honoured by King Hussein Cancer Foundation for sponsoring the "Room for Hope" initiative.
- Completed the refurbishment of rooms and suites (phaze one).

RED SEA HOTELS COMPANY,

OWNER OF MÖVENPICK RESORT & RESIDENCE AQABA

- Converted 9 junior suites to 9 family rooms at the main building.
- Soft renovation of Al Murjan Ballroom.
- Successful re-opening of Red Sea Grill Restaurant & Terrace.
- Renewed Green Key certification.
- Renewed Green Globe certification.
- Renewed Blue Flag Beach certification by The Royal Marine Conservation Society of Jordan for successfully meeting international criteria .
- Received TripAdvisor Certificate of Excellence 2017.
- Received TripAdvisor Travellers' Choice Award 2017 and ranked number 4 among 41 hotels in Aqaba.
- Chosen on Holiday Check as the most viewed hotel in Europe with up to 27 million visits per month.
- Received plaque for generous support on the Amman Road Runners Ayla Dead2Red cycling race.
- Ranked #2 among 29 hotels in Middle East on VEOS guest satisfaction survey platform used for all MHR Hotels Worldwide.
- Director of IT won the Hotelier Middle East award as the IT Manager of the year.

ZARA SOUTH COAST DEVELOPMENT COMPANY,

OWNER OF MÖVENPICK RESORT & SPA TALA BAY AQABA

- Active involvement in the development of local community by engaging in activities promoting livelihood and environmental awareness like SOS visits, participating in the beach and dive clean-ups through Clean-Up the World Campaign, donating to charities and less fortunate through the "A Kilo of Kindness Campaign", hosting internship programs for students from Les Roche, Aqaba Vocational School and USAID, sponsoring the "Room for Hope" initiative.
- Won Travel Guide Award as Jordan's leading resort for third year in a row.
- Won Travel Guide Award as Jordan's luxury family hotel for the second year in a row.
- Awarded TripAdvisor Traveller's Choice Award as one of the top 25 luxury hotels in Jordan and one of the top 25 family-friendly resorts in the Middle East.
- Zara Spa claimed the 2018 Conde Nast Johansen Award of Excellence in Africa, Indian Ocean and Middle East.
- Renewed Green Globe, Green Key and Blue Flag certification.
- Enhanced wellbeing experience for guests by adding a boot camp, jogging track and yoga area.
- Offered more activities for guests including giant sumo, inflatable arena, giant outdoor cinema, zorb and giant snooker game which enhanced the guest's experience and family offering of the resort.
- Completed the organic garden with sustainability wall which promotes the environmental initiatives of the resort through escorted guest's tours.
- Replaced the CCTV system and increased number of cameras to 150 instead of 80 with increased recording capacity to 60+ days.
- Replaced Micros 7900 by Symphony II POS application (cloud hosting from Oracle).
- Increased WiFi coverage for public outdoor area, pools & beach.
- Installed the beach kitchen which helps prepare fast and simple freshly cooked meals.
- Completed the maintenance of the hydro pool and north wing pool which minimized guests' complaints and improved guest's experience.
- Completed the replacement of guestroom tiles.

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 2013 THROUGH 2017

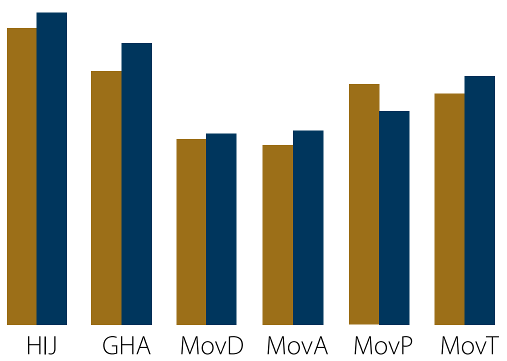
	2017	2016	2015	2014	2013
Profit (loss) realized	5,165,078	1,691,336	(2,349,766)	464,061	(1,257,738)
Dividends	-	-	-	-	-
Equity attributable to shareholders	166,840,004	161,594,485	159,847,794	162,993,165	167,198,311
Share price JD	0.44	0.43	0.50	0.64	0.54

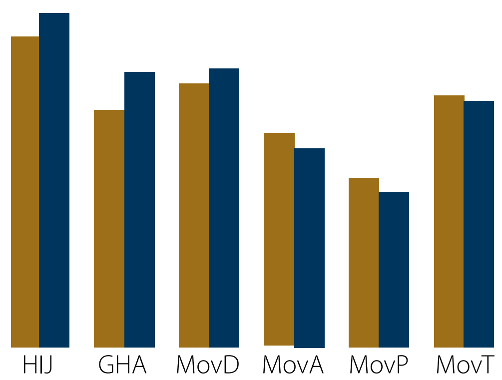
14. ANALYSIS OF COMPANY'S FINANCIAL POSITION AND RESULTS OF OPERATIONS DURING FISCAL YEARS 2017 AND 2016

DESCRIPTION	2017 %	2016 %
Return on Investments	3.15	1.25
Return on Equity	3.58	1.47
Return on Paid-in Capital	4.49	1.79
Profit Margin	9.94	3.84
Earnings Before Tax (EBT) to Operating Revenues	11.46	4.98
Ownership Ratio	88.19	85.14
Equity to Loans	1421	907.55
Loans to Assets	6.21	9.38
Property & Equipment to Equity	88.65	93.54
Current Liability to Assets	11.31	11.69
Liabilities to Assets	11.81	14.86
Liabilities to Equity	13.40	17.45
Current Liabilities to Equity	12.82	13.73
Long-Term Loans to Equity	0.34	3.65
Operating Revenues to Equity	35.96	38.25
Operating Revenues to Assets	31.71	32.57
Current Ratio	119.94	105.23

Following are the key indicators of the Company's hotels for 2017 compared to 2016:

HOTEL	NUMBER OF ROOMS	OCCUPANCY %		AVERAGE ROOM RATE (JD)		OPERATING REVENUES (JD)	
		2017	2016	2017	2016	2017	2016
Hotel InterContinental Jordan	450	57	60	123	128	19,902,851	21,664,859
Grand Hyatt Amman	316	46	50	101	118	10,503,292	12,401,630
Hyatt Tower	90	59	50	108	133	1,157,288	1,209,412
Mövenpick Resort & Spa Dead Sea	362	55	57	89	90	11,592,085	12,298,964
Mövenpick Resort & Residence Aqaba	332	53	52	85	87	7,176,527	6,948,675
Mövenpick Resort Petra	183	58	50	98	92	5,911,450	5,005,426
Mövenpick Nabatean Castle Petra	92	41	-	44	-	909,599	-
Mövenpick Resort & Spa Tala Bay Aqaba	306	57	54	104	109	9,908,778	9,903,299
Total	**2,131**	**53**	**52**	**102**	**109**	**67,061,870**	**69,432,265**





AVERAGE ROOM RATE (JD) 2017 2016 OCCUPANCY %

1. The consolidated statement of financial position indicates that total assets as of 31/12/2017 totaled JD 213,576,931 compared with JD 214,431,198 as of 31/12/2016 representing a decline of 0.34%.
2. The equity attributable to shareholders of the Company as of 31/12/2017 totaled JD 166,840,004 compared with JD 161,594,485 as of 31/12/2016 representing an increase of 3%.
3. The consolidated statement of profit or loss indicates that operating revenues for 2017 totaled JD 67,732,510 compared with JD 69,837,489 for 2016 representing a decline of 3%.
4. The consolidated expenses including depreciation, finance costs, and administration expenses for 2017 totaled JD 12,992,619 compared with JD 16,313,405 for 2016 representing a decline of 20%.
5. The consolidated profit attributable to shareholders of the Company for 2017 totaled JD 5,165,078 compared with a profit of JD 1,691,336 for 2016 representing an increase of 205%.

Quseir Amra

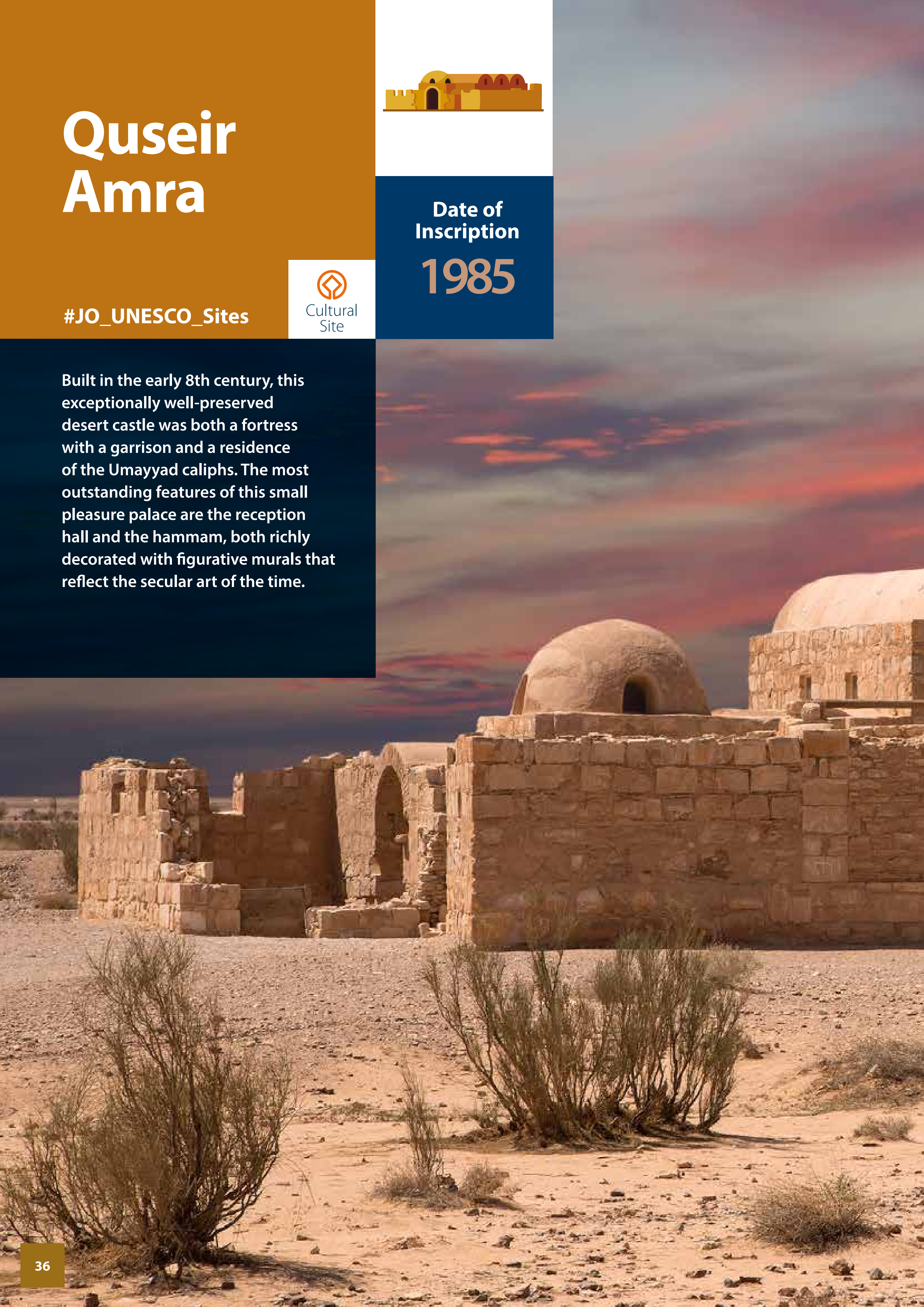
#JO_UNESCO_Sites

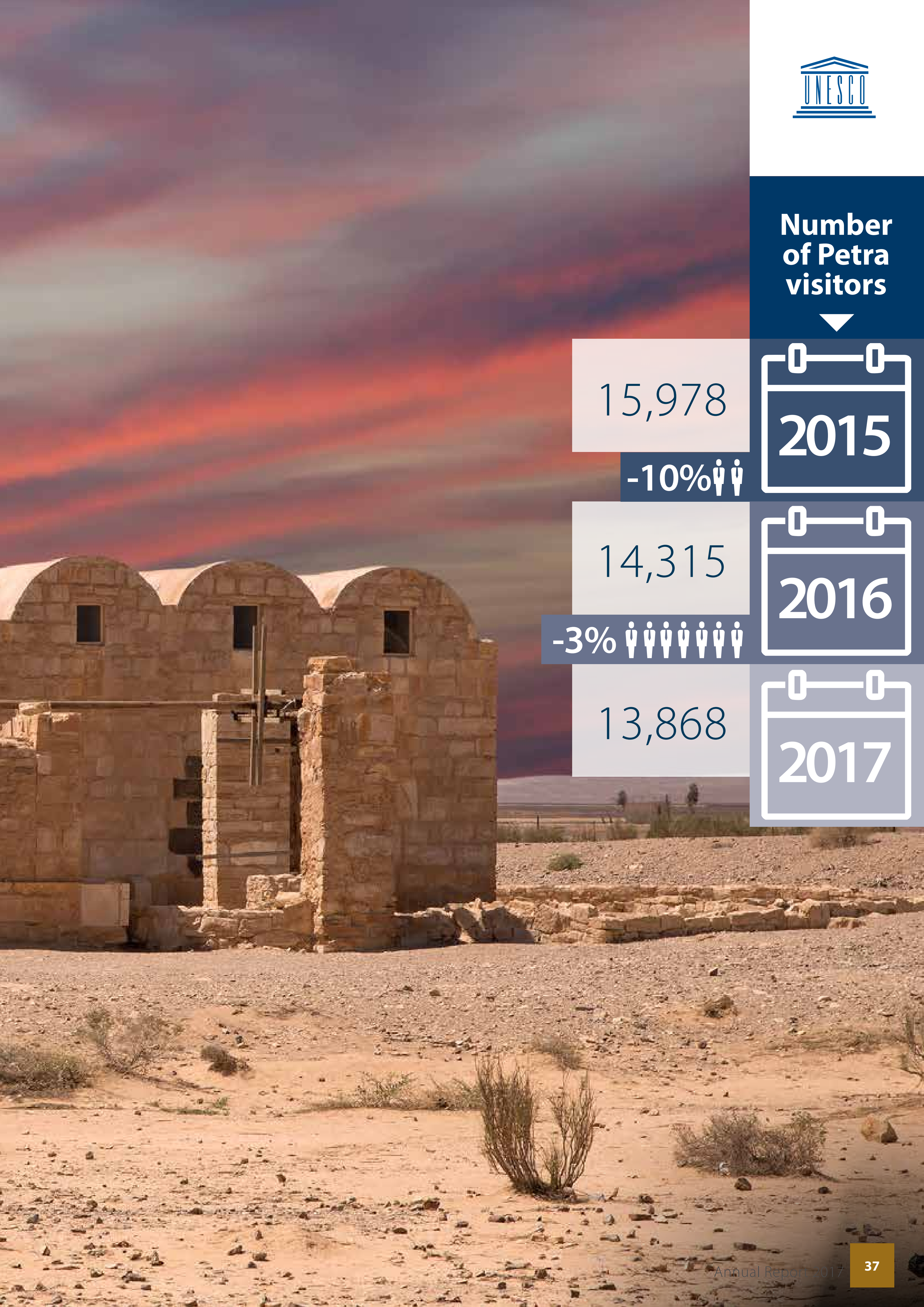
Cultural Site

Date of Inscription

1985

Built in the early 8th century, this exceptionally well-preserved desert castle was both a fortress with a garrison and a residence of the Umayyad caliphs. The most outstanding features of this small pleasure palace are the reception hall and the hammam, both richly decorated with figurative murals that reflect the secular art of the time.





Number of Petra visitors

Year	Visitors	Change
2015	15,978	
		-10%
2016	14,315	
		-3%
2017	13,868	

15. FUTURE PLAN FOR 2018

1. We will continue to develop human resources and operational data base to ensure the highest standards of service and quality.
2. We will continue to enhance our valuable guests' trust in our facilities and services.
3. We will continue to update hotels' facilities and equipment to maintain the competitive edge for our hotels and services.
4. We will continue to focus on self-financing for expansion, renovation projects and distribution of dividends.
5. We will continue to follow up the operations to improve performance.
6. We will continue to modify the way we manage the business in line with the changes in the tourism markets.
7. We will continue to turn into clean energy gradually.
8. We will continue to serve and improve the community in which we operate.
9. We will continue to support and develop hotel and tourism educational institutes to promote competencies and serve the tourism sector.
10. We will continue to support and market touristic sites as global touristic destinations.
11. We will continue to diversify tour offering in packages to enhance attraction.

We will continue to turn into clean energy gradually

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 PSC	13,300
Jordan Hotels and Tourism Company PSC	20,250
Jordan Himmeh Mineral Company PSC	1,250
Nabatean Hotels Company LLC	13,000
Amman Tourism Investment Company LLC	16,600
Rum Hotels and Tourism Company LLC	1,250
Oasis Hotels Company LLC	1,250
National Hotels and Tourism Company LLC	14,200
Jordan Hotel Supplies Trading Company LLC	2,250
Red Sea Hotels Company LLC	13,300
Zara Agricultural Company LLC	1,350
South Coast Real Estate Development Company LLC	1,250
South Coast Hotels Company LLC	1,250
Zara South Coast Development Company LLC	12,000
Zara Agricultural Services and Marketing Company LLC	1,250
Total	113,750

NAME	POSITION	NATIONALITY
Sabih Taher Darwish Masri	Chairman	Jordanian
Khaled Sabih Taher Masri	Vice-Chairman	Jordanian
Al-Masira Investment Company, represented by **Kamil Abdel-Rahman Ibrahim Sadeddin**	Member	Jordanian
Libyan Foreign Investments Company, represented by **Tarik Ahmed Al-Fetory Koshlaf -** member from 28/5/2017 **Khaled Joma Miloud Ezarzor -** member till 27/5/2017	Member	Libyan
Social Security Corporation, represented by **Jamila Tawfiq Mahmoud Mahasneh**	Member	Jordanian
Cairo Amman Bank, Represented by **Kamal Ghareeb Abdel-Rahim Al-Bakri**	Member	Jordanian
Yassin Khalil "Mohammad Yassin" Talhouni	Member	Jordanian
Nafez Saleh Odeh Mustafa	Member	Saudi
Bank Al-Etihad, represented by **Isam Halim Jeries Salfiti**	Member	Jordanian
Yazid Adnan Mustafa Mufti	Member	Jordanian
“Mohammad Osama” Jawdat Sha’sha’a	Member	Jordanian
Rama Investment and saving Company, represented by **Haidar Izzat Rashid Touran**	Member	Jordanian
Nawaf Abdel-Rahman Bin Ali Al-Turki	Member	Saudi

NUMBER OF SHARES AS OF	NUMBER OF SHARES AS OF	CONTROLLED COMPANIES	NUMBER OF SHARES HELD BY CONTROLLED COMPANIES AS OF	
31/12/2017	31/12/2016		31/12/2017	31/12/2016
2,046,000	2,046,000	• Arab Supply and Trading Corp. • Astra Investment Co. • Al-Masira Investment Co. • Al-Masira International - Bahrain	11,008,354 12,000 20,097,424 14,743,804	11,008,354 12,000 20,097,424 14,743,804
10,000	10,000	• Arab Supply and Trading Corp. • Astra Investment Co. • Al-Masira Investment Co. • Al-Masira International - Bahrain	11,008,354 12,000 20,097,424 14,743,804	11,008,354 12,000 20,097,424 14,743,804
20,097,424	20,097,424	None	None	None
19,539,532	19,539,532	None	None	None
18,506,245	18,506,245	None	None	None
9,990,084	9,990,084	None	None	None
4,141,188	4,141,188	• National Development and Supply Co. • Levant Investments Co.	200,000 1,462,500	200,000 1,462,500
600,000	600,000	None	None	None
150,000	150,000	None	None	None
30,000	30,000	None	None	None
13,020	13,020	None	None	None
10,000	10,000	None	None	None
10,000	-	None	None	None

17.B NUMBER OF SHARES HELD BY SENIOR EXECUTIVE MANAGEMENT

NAME	POSITION	NATIONALITY	NUMBER OF SHARES AS OF 31/12/2017	NUMBER OF SHARES AS OF 31/12/2016	CONTROLLED COMPANIES	NUMBER OF SHARES HELD BY CONTROLLED COMPANIES AS OF 31/12/2017	NUMBER OF SHARES HELD BY CONTROLLED COMPANIES AS OF 31/12/2016
Yassin Khalil “Mohammad Yassin”Talhouni	General Manager	Jordanian	4,141,188	4,141,188	National Development & Supply Co.	200,000	200,000
					Levant Investments Co.	1,462,500	1,462,500
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 31/12/2017	NUMBER OF SHARES AS OF 31/12/2016	CONTROLLED COMPANIES	NUMBER OF SHARES HELD BY CONTROLLED COMPANIES AS OF 31/12/2017	NUMBER OF SHARES HELD BY CONTROLLED COMPANIES AS OF 31/12/2016
Relatives of Sabih Taher Darwish Masri							
Sirin Sabih Taher Masri	Daughter	Jordanian	2,076,000	2,076,000	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
Kamil Abdel-Rahman Ibrahim Sadeddin	Member	12,000	-	12,000
Tarik Ahmed AlFetory Koshlaf	Member from 28/5/2017	-	13,683	13,683
Khaled Jumaa Miloud Al Zarzour	Member till 27/5/2017	-	6,384	6,384
Jamila Tawfiq Mahmoud Mahasneh	Member	12,000	-	12,000
Kamal Ghareeb Abdel-Rahim Al-Bakri	Member	12,000	-	12,000
Yassin Khalil "Mohammad Yassin" Talhouni	Member	12,000	-	12,000
Nafez Saleh Odeh Mustafa	Member	12,000	-	12,000
Isam Halim Jeries Salfiti	Member	12,000	-	12,000
Yazid Adnan Mustafa Mufti	Member	12,000	-	12,000
"Mohammed Osama" Jawdat Sha'sha'a	Member	12,000	-	12,000
Haidar Izzat Rashid Touran	Member	12,000	-	12,000
Nawaf Abdel-Rahman Bin Ali Al-Turki	Member	-	318	318
Total		**132,000**	**20,385**	**152,385**

18.B REMUNERATION OF SENIOR EXECUTIVE MANAGEMENT

NAME	POSITION	SALARIES	TRANSPORT ALLOWANCE	BONUSES	OTHER BENEFITS	TOTAL JD
Yassin Khalil "Mohammad Yassin" Talhouni	General Manager	-	-	-	-	-
Ahmad Ibrahim Mohammed Jamjoum	Chief Financial Officer	92,220	3,000	23,955	600	119,775
Haitham "Mohammad Nazih" Nureddin Hanbali	Financial Controller	61,740	1,260	5,275	300	68,575

Um er-Rasas

(Kastrom Mefa'a)

#JO_UNESCO_Sites

Cultural Site

Date of Inscription

2004

Most of this archaeological site, which started as a Roman military camp and grew to become a town from the 5th century, has not been excavated. It contains remains from the Roman, Byzantine and Early Muslim periods (end of 3rd to 9th centuries AD) and a fortified Roman military camp. The site also has 16 churches, some with well-preserved mosaic floors. Particularly noteworthy is the mosaic floor of the Church of Saint Stephen with its representation of towns in the region. Two square towers are probably the only remains of the practice, well known in this part of the world, of the stylites (ascetic monks who spent time in isolation atop a column or tower). Um er-Rasas is surrounded by, and dotted with, remains of ancient agricultural cultivation in an arid area.

Number of Petra visitors

Year	Visitors
2015	8,352
2016	7,038
2017	11,212

-16%

59%

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

BENEFICIARY	AMOUNT JD
Vocational Training Center - Salt	20,562
Ramadan Packages	8,745
Art Exhibitions	7,965
Jordan Strategy Forum	7,000
Jordanian Hospitality & Tourism Education Co.	1,305
Medical Aid for Palestinians (MAP)	1,200
Al-Fuhais Youth Club	1,000
Tkiyet Um Ali	901
Other	2,630
Total	**51,308**

20. CONTRACTS, PROJECTS AND COMMITMENTS ENTERED INTO 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

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

21.A COMPANY'S CONTRIBUTION TOWARDS ENVIRONMENTAL PROTECTION

- Zara is committed to protecting the environment in which it operates. In line with this commitment, Zara 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 vary in scale. In 2015, Zara signed an agreement for a solar PV system based on the recently enacted Wheeling Law. Once fully developed in 2018, this PV system is expected to meet 50% to 60% of our current electricity consumption needs of Zara hotels. The delay in launching the project is due to regulatory obstructions related to the availability of land near the distribution stations. The project may be down - scaled due to governmental constraints.

- Other energy saving measures such as switching to energy-saving LEDs have been ongoing for the past several years, during which we have also worked on projects to switch from diesel fuel to the more friendly sources of LPG, solar energy, and paper recycling.

- The environmental protection and operational sustainability plans initiated in 2009 have yielded such tangible results on various fronts as:

1. More efficient use of water resources.

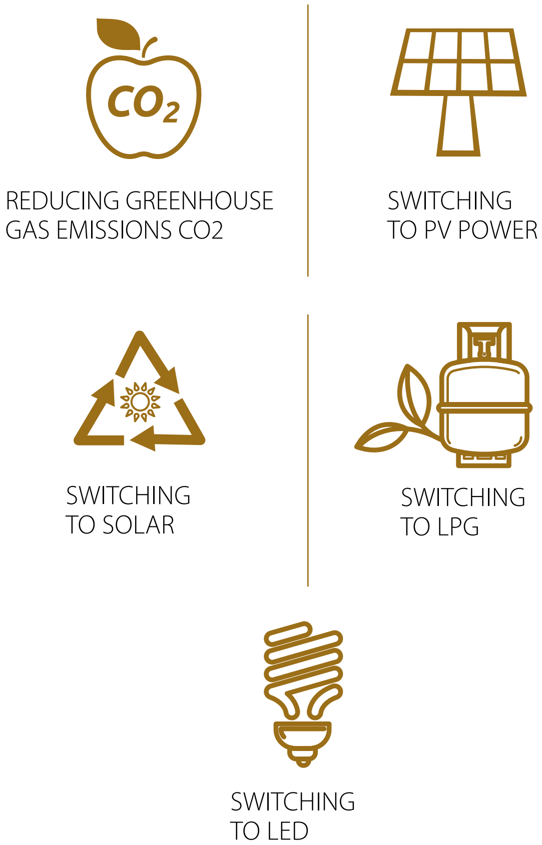
2. Reduction in green house gas emissions with measurable reductions in the emissions of CO2.

3. Successful use of alternative sources of friendly energy through partial switch to solar energy in a number of Zara properties.

4. Partial substitution of diesel use by environmentally-friendly LPG systems for heating purposes.

5. Certification and recognition of most of Zara hotels as green hotels by various internationally renowned environmental rating organizations.

As a 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.



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

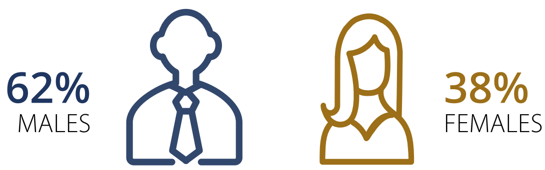
- Employment at our hotels constitutes one of the most important aspects in serving the local communities where we are present. The teams serving our hotels are all comprised of talented young residents of such communities. This community-based approach to developing and empowering local capacities is 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 2017 our hotels provided over 40 training opportunities in all fields for 19,341 employees from various departments.

- Zara was pivotal in the training of 34 vocational trainees in Saltus Hotel, through its partnership with Vocational Training Corporation in the city of AsSalt of which 38% were females. To date, and since we forged our partnership with the VTC through developing Saltus Hotel in 2013, Zara has contributed to the training of almost 558 trainees of which 20% are females.

- Despite the difficult conditions experienced by the tourism sector, neither Zara nor any of the subsidiaries reduced their staff in accordance with the Board of Directors' directives to maintain job security for all employees.

- 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

A: Compliance with the provisions of the Corporate Governance Regulations for the year 2017 (the " Regulations") as promulgated by Jordan Securities Commission:

1. The Company complies with the Regulations, and such enacted laws and legislations as the Companies Law, the Jordan Securities Commission Law and the Disclosure Instructions.

2. The Company maintains the following systems, policies and procedures:

• Rules of Procedures as approved by the Ministry of Labor.

• Financial System, Work Procedures and Powers & Responsibilities Matrix.

• Disclosure Policy.

• Procedures for the implementation of the Regulations as approved by the Corporate Governance Committee.

• Bylaws and Articles of Association prepared in accordance with the Companies Law in force.

3. There are 4 independent members on the board, out of 13 (less than 1/3), and 12 non-executives.

4. All committees emanating from the Board were formed and the status is being rectified according to the Regulations as follows:

- The Audit Committee consists of 4 non-executives; 2 of them are independent, and is chaired by an independent member.

- The Nomination and Remuneration Committee consists of 3 non-executives; 2 of them are not independent, and is chaired by an independent member.

- The Governance Committee consists of 3 non-executives; 2 of them are not independent, and is chaired by a non-independent member.

- The Risk Management Committee consists of 3 members; including 1 executive, and all are non-independent.

5. All committees have established 2018 Implementation Plans as approved by the Board.

6. The Annual Report demonstrates the work carried out by all committees in the fiscal year.

7. The Company and all of its hotels have official websites.

8. The Company discloses annual and interim consolidated financial statements to the concerned authorities, in Arabic and English within the deadlines set by the law.

9. The Company allows the shareholders full access to disclosure information via the Annual Report, and the minutes of the annual general assembly meetings, and through Amman Stock Exchange.

B: Names of members of the board and representetives:

1. Board members

Board Member	Classification	Independence	
Sabih Taher Darwish Masri	Natural	Non-Independent	Non-executive
Khalid Sabih Taher Masri	Natural	Non-Independent	Non-executive
Al-Masira Investment Company	Legal	Non-Independent	-
Libyan Foreign Investments Company	Legal	Non-Independent	-
Social Security Corporation	Legal	Non-Independent	-
Cairo Amman Bank	Legal	Non-Independent	-
Yassin Khalil "Mohammed Yassin" Talhouni	Natural	Non-Independent	executive
Nafeth Saleh Odeh Mustafa	Natural	Independent	Non-executive
AL-Etihad Bank	Legal	Non-Independent	-
Yazid Adnan Mustafa Mufti	Natural	Non-Independent	Non-executive
"Mohammed Osama" Jawdat Sha'sha'a	Natural	Independent	Non-executive
Rama Investment & Saving Company	Legal	Independent	-
Nawaf Abed Al-Rahman Al-Turki	Natural	Independent	Non-executive

2. Names of legal members

Representative	Independence	
Kamil Abdel-Rahman Ibrahim Sadeddin representing Al-Masira Investment Company	Non-executive	Non-Independent
Tarik Ahmed Al-Fetory Koshlaf representing Libyan Foreign Investments Company from 28/5/2017 Khaled Joma Miloud Ezarzor representing Libyan Foreign Investments Company till 27/5/2017	Non-executive	Non-Independent
Jamila Tawfiq Mahmoud Mahasneh representing Social Security Corporation	Non-executive	Non-Independent
Kamal Ghareeb Abdel-Rahim Al-Bakri representing Cairo Amman Bank	Non-executive	Non-Independent
Isam Halim Jeries Salfiti representing Bank Al-Etihad	Non-executive	Non-Independent
Haidar Izzat Rashid Touran representing Rama Investment & Saving Company	Non-executive	Independent

C: Senior Executive Management:

Name	Position
Yassin Khalil "Mohammed Yassin" Talhouni	General Manager
Ahmad Ibrahim Mohammed Jamjoum	Chief Financial Officer
Haitham "Mohammed Nazih" Nureddin Hanbali	Financial Controller

D: Membership of the Board of Directors in the Boards of Other Public Shareholding Companies:

Name	Memberships
Sabih Taher Darwish Masri	• Arab Bank / Chairman
Khalid Sabih Taher Masri	• Jordan Himmeh Mineral Company / Chairman • Jordan Hotels and Tourism Company
Kamil Abdel-Rahman Ibrahim Sadeddin	• Astra Industrial Group (Saudi Arabia) • Palestine Development and Investment Company • Jordan Hotels and Tourism Company
Tarik Ahmed Al-Fetory Koshlaf	• Libian Foreign Investments Company Algeria (LAFICO Algeria Holding)
Jameela Tawfiq Mahasneh	-
Kamal Ghareeb Abdel-Rahim Al-Bakri	• Jordan Express Tourist Transport Company (JETT) / Chairman • Jordan Insurance Company
Yassin Khalil "Mohammed Yassin" Talhouni	• Jordan Hotels and Tourism Company / Vice-Chairman • Jordan Himmeh Mineral Company • Cairo Amman Bank • Jordan Electricity Company
Nafeth Saleh Odeh Mustafa	• Jordan Hotels and Tourism Company
Isam Halim Jeries Salfiti	• Bank Al-Etihad / Chairman • Jordan Hotels and Tourism Company / Chairman
Yazid Adnan Mustafa Mufti	• Cairo Amman Bank / Chairman • Middle East Insurance Company • Palestine Development and Investment Company
"Mohammed Osama" Jawdat Sha'sha'a	• Jordan Insurance Company
Haidar Izzat Rashid Touran	• Employment-Technical and Vocational Education and Training Council • Project Financing Committee of the Employment Council • Steering Committee of the Employment National Strategy • Executive Committee of Jordan Federation Trade Union
Nawaf Bin Abed Al-Rahman Al-Turki	• Redland Industrial Services (Arabia) LTD. • RAMKY-ATCO Environmental Services LTD. • Keller Turki LTD. • Honeywell Turki Arabia LTD.

E: Name of Corporate Governance Officer:

Name	Position
Saleh Atallah Saleh Hawamdeh	Acting Administration Manager

F: Names of Committees Emanating from the Board of Directors:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Governance Committee
4. Risk Management Committee

G: Names of the President and Members of the Audit Committee, Qualifications and Experience related to Financial and Accounting Matters:

Name	Qualifications	Experience
"Mohammed Osama" Jawdat Sha'sha'a / President	Higher Diploma International Economics.	Business Man
Yazid Adnan Mustafa Mufti / Member	B.A. Business Administration	Business Man
Haidar Izzat Rasheed Touran / Member	PHD of Political Economy	- Held several positions in banking at Jordan National Bank. - Secretary of International Relations.
Tarik Ahmed Al-Fetory Koshlaf / Member from 28/5/2017	B.S. Financial Management	- Assistant Director of Commercial Holding Companies
Khaled Joma Miloud Ezarzor / Member till 27/5/2017	B.A. Accounting	- Director of Financial Analysis Department

H: Names of the President and Members of the Nomination and Remuneration Committee, the Governance Committee and the Risk Management Committee:

Governance Committee
Yazid Adnan Mustafa Mufti / President
Nawaf Abdul-Rahman Al-Turki / Member
Jameela Tawfiq Mahmood Mahasneh / Member

Nomination & Remuneration Committee
Nawaf Abdul-Rahman Al-Turki / President
Khalid Sabih Taher Masri / Member
Isam Halim Jeries Salfiti / Member

Risk Management Committee
Yazid Adnan Mustafa Mufti / President
Kamil Abdel-Rahman Ibrahim Sadeddin / Member
Yassin Khalil "Mohammed Yassin" Talhouni / Member

I: Number of meetings held by the committees during the year with the members present:

Committee	No. of Meetings	Attendees
Audit	4	1st – All 2nd – All except Khaled Ezarzor 3rd – All except Khaled Ezarzor 4th – All
Nominations & Remuneration	2	All
Governance	2	All
Risk Management	2	All

J: Number of meetings held by the Audit Committee with the External Auditor during the year:

The Audit Committee held four meetings with the External Auditor during the year.

K: Work Carried Out by Committees During the Fiscal Year 2017:

Audit Committee: Four meetings were held during the fiscal year ended 31 December 2017, and the following recommendations were made:

Ser.	Date	Recommendations to the Board of Directors
First Meeting	21/03/2017	* Approval of the draft consolidated financial statements for the year ended 31 December 2016. * Approval of the draft 23rd Annual Report for the year ended 31 December 2016. * Approval of Compliance with Corporate Governance Rules and Balanced Scorecard for the fiscal year ended 31 December 2016.
Second Meeting	25/04/2017	* Approval of the draft interim condensed consolidated financial statements for the three months ended 31 March 2017.
Third Meeting	25/07/2017	* Approval of the draft interim condensed consolidated financial statements for the six months ended 30 June 2017. * Approval of management's recommendation on depreciation rates. * start implementing the Regulations for the year 2017 as promulgated by Jordan Securities Commission.
Forth Meeting	24/10/2017	* Approval of the interim condensed consolidated financial statements for the nine months ended 30 September 2017. * Ratification of the Charter of the Committee, the responsibilities as stipulated by the Regulations, and the proposed plan of action for the coming year 2018.

Nominations and Remuneration Committee: Two meetings were held during the fiscal year ended 31 December 2017, and the following recommendations were made:

Ser.	Date	Recommendations to the Board of Directors
First Meeting	24/10/2017	* Election of Mr. Nawaf Abdul-Rahman Al-Turki as president of the Committee. * Ratification of the Charter of the Committee, the responsibilities as stipulated by the Regulations, and the proposed plan of action for the coming year 2018.
Second Meeting	19/12/2017	* Approval of salary adjustmentsfor the year 2018.

Governance Committee: Two meetings were held during the fiscal year ended 31 December 2017, and the following recommendations were made:

Ser.	Date	Recommendations to the Board of Directors
First Meeting	18/10/2017	* Election of Mr. Yazeed Adnan Mustafa Mufti as president of the Committee. * Ratification of the Charter of the Committee, the responsibilities as stipulated by the Regulations, and the proposed plan of action for the coming year 2018.
Second Meeting	19/12/2017	* Apprval of independance matrix for the members of the board of directors.

Risk Management Committee: Two meetings were held during the fiscal year ended 31 December 2017, and the following recommendations were made:

Ser.	Date	Recommendations to the Board of Directors
First Meeting	24/10/2017	* Election of Mr. Yazeed Adnan Mustafa Mufti as President of the Committee. * Ratification of the Charter of the Committee, the responsibilities as stipulated by the Regulations, and the proposed plan of action for the coming year 2018.
Second Meeting	19/12/2017	* Approval of management recommendation to hedge interest rate. * Approval of management recommendation to hedge the american decision to relocate the American embassy to Jerusalem

L: Number of meetings held by the Board during the year with the members attendees:

The Board of Directors held six meetings during the year ended 31 December 2017 as follows:

Ser.	Date	Attendees
First Meeting	22/03/2017	All except Mr. Isam Salfiti and Mr. Nafez Odeh (out of Jordan) and Mr. Kamal Al-Bakri (sickness).
Second Meeting	26/04/2017	All except Mr. Nafez Odeh (out of Jordan).
Third Meeting	26/07/2017	All except Mr. Sabih Masri, Mr. Isam Salfiti, Mr. Nafez Odeh and Mr. Nawaf Al-Turki (out of Jordan).
Forth Meeting	20/09/2017	All except Mr. Sabih Masri, Mr. Nafez Odeh and Mr. Nawaf Al-Turki (out of Jordan).
Fifth Meeting	25/10/2017	All except Mr. Sabih Masri and Mr. Nawaf Al-Turki (out of Jordan).
Sixth Meeting	13/12/2017	All except Mr. Sabih Masri, Mr. Kamil Sadeddin, Mr. Nafez Odeh and Mr. Nawaf Al-Turki (out of Jordan).

Sabih Taher Darwish Masri
Chairman of the Board of Directors

Baptism Site

Bethany Beyond the Jordan (Al-Maghtas)

#JO_UNESCO_Sites

Cultural Site

Date of Inscription

2015

Situated on the eastern bank of the River Jordan, nine kilometres north of the Dead Sea, the archaeological site consists of two distinct areas: Tell Al-Kharrar, also known as Jabal Mar-Elias (Elijah's Hill) and the area of the churches of Saint John the Baptist near the river. Situated in a pristine natural environment the site is believed to be the location where Jesus of Nazareth was baptized by John the Baptist. It features Roman and Byzantine remains including churches and chapels, a monastery, caves that have been used by hermits and pools in which baptisms were celebrated, testifying to the religious character of the place. The site is a Christian place of pilgrimage.

UNESCO

Number of Petra visitors

2015	65,990
	23%
2016	81,419
	28%
2017	104,435

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZARA INVESTMENT HOLDING COMPANY – PUBLIC SHAREHOLDING COMPANY AMMAN – JORDAN

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Zara Investment Holding Company (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2017, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context.

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

1. Revenue Recognition

Refer to Note 18 to the consolidated financial statements.

Key Audit Matter

The Group owns and operates a network of hotels. Revenues are mostly generated from room stay and food and beverages. Billing is done, based on all the services availed and sales to customers.

We focus on this area as there is a risk of misstatement of revenue due to high volume of revenues with relatively low value transactions. Also, because there is a risk that billing to customers may be done for services that are not rendered or services rendered but not billed or recorded and hence will result in an overstatement or understatement of revenue.

How the Key Audit Matter was addressed

Our audit procedures included considering the appropriateness of the Group's revenue recognition accounting policies and assessing compliance with the policies in terms of applicable accounting standards. Audit procedures included testing the Group's controls around revenue recognition and key controls in the revenue cycle. We assessed sales transactions taking place at either side of the consolidated statement of financial position date (revenue cutoff date) to assess whether that revenue was recognized in the correct period. We have also performed detailed analytical procedures for the gross margin of the Hotels on a monthly basis for all departments (Rooms, Food and Beverage and Other departments).

Having built expectations about revenue figures for the year we performed substantive analytical procedures using financial and non-financial information. We selected and tested a sample of journal entries on revenue accounts.

2. Impairment of Assets
The carrying value of the Group's investment properties amounted to JD 5,716,019 at 31 December 2017.

Recoverability of these assets is dependent on assumptions about future services prices, discount rates as well as internal assumptions related to future occupancy levels and operating costs.

These estimates are particularly significant due to price and occupancy fluctuations, competition, assumed future services and uncertain political and economic outlooks. The outcome of impairment assessments could vary significantly were different assumptions applied.

How the Key Audit Matter was addressed
We utilised EY valuation specialists to assess the appropriateness of management's recoverable value models used in the impairment testing.

We reviewed the significant assumptions used in impairment testing for investment properties, specifically the service price, assumed service levels and discount rate assumptions, including consideration of the risk of management bias.

Refer to Note 5 to the consolidated financial statements.

Other Information Included in the Group's 2017 Annual Report

Other information consists of the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exist. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

The Group maintains proper books of accounts and the accompanying consolidated financial statements.

Amman – Jordan
21 March 2018

Ernst & Young / Jordan
Bishr Ibrahim Baker
License No. 592

ZARA INVESTMENT (HOLDING) COMPANY P.S.C
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	2017	2016
ASSETS		JD	JD
Non-current assets -			
Property and equipment	4	160,776,325	163,850,641
Investment properties	5	5,716,019	5,841,749
Projects in progress	6	468,542	1,082,910
Financial assets at fair value through other comprehensive income	7	13,381,053	13,273,958
Deferred tax assets	22	1,596,315	-
Other non-current assets	11	2,670,482	4,001,857
		184,608,736	188,051,115
Current assets -			
Inventories	9	1,733,095	1,836,743
Accounts receivable	10	4,858,237	5,062,310
Other current assets	11	4,788,727	4,256,123
Cash on hand and at banks	12	17,588,136	15,224,907
		28,968,195	26,380,083
Total assets		213,576,931	214,431,198

The accompanying notes from 1 to 33 form part of these consolidated financial statements

	Notes	2017	2016
EQUITY AND LIABILITIES		JD	JD
EQUITY			
Attributable to the equity owners of the parent -			
Paid-in capital	13	150,000,000	150,000,000
Statutory reserve	13	4,505,284	3,988,776
Voluntary reserve	13	689,496	689,496
Cumulative change in fair value	8	8,687,327	8,585,878
Retained earnings (Accumulated losses)		2,957,897	(1,669,665)
		166,840,004	161,594,485
Non-controlling interests	21	21,507,044	20,981,408
Total equity		188,347,048	182,575,893

LIABILITIES			
Non-current liabilities -			
Long-term loans	14	637,200	6,671,700
Deferred tax liabilities	22	440,486	115,181
		1,077,686	6,786,881
Current liabilities -			
Current portion of long-term loans	14	6,831,000	10,549,149
Due to banks	15	5,786,312	2,896,613
Accounts payable		6,135,838	5,849,689
Other current liabilities	16	3,868,608	4,356,602
Other provisions	17	679,725	697,439
Provision for income tax	22	850,714	718,932
		24,152,197	25,068,424
Total liabilities		25,229,883	31,855,305
Total equity and liabilities		213,576,931	214,431,198

The accompanying notes from 1 to 33 form part of these consolidated financial statements

ZARA INVESTMENT (HOLDING) COMPANY P.S.C
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 JD	2016 JD
Operating revenues		67,732,510	69,837,489
Operating expenses		(49,628,602)	(50,536,792)
Net operating revenues	18	18,103,908	19,300,697
Interest income		282,439	178,482
Other income, net	19	879,960	1,087,001
Finance costs		(788,651)	(1,279,457)
Depreciation	4,5	(8,993,794)	(11,542,160)
Administrative expenses	20	(3,210,174)	(3,491,788)
Other provisions	17	(106,236)	(778,011)
Profit for the year before income tax		6,167,452	3,474,764
Income tax , net	22	566,078	(791,542)
Profit for the year		6,733,530	2,683,222
Attributable to:			
Equity holders of the parent		5,165,078	1,691,336
Non-controlling interests	21	1,568,452	991,886

		JD / Fils	JD / Fils
Basic and diluted earnings per share attributable to the equity holders of the parent	23	0/034	0/011

The accompanying notes from 1 to 33 form part of these consolidated financial statements

ZARA INVESTMENT (HOLDING) COMPANY P.S.C
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 JD	2016 JD
Profit for the year		6,733,530	2,683,222
Other comprehensive income items after tax not to be realised in profit or loss subsequently:			
Change in fair value, net of deferred tax liabilities	8	101,449	55,355
Total comprehensive income for the year		6,834,979	2,738,577
Attributable to:			
Shareholders of the parent		5,266,527	1,746,691
Non-controlling interests		1,568,452	991,886
		6,834,979	2,738,577

The accompanying notes from 1 to 33 form part of these consolidated financial statements

ZARA INVESTMENT (HOLDING) COMPANY P.S.C

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Attributable to the equity		
	Paid-in capital	Reserves	
		Statutory	Voluntary
	JD	JD	JD
2017			
Balance at 1 January 2017	150,000,000	3,988,776	689,496
Total comprehensive income for the year	-	-	-
Transferred to reserves	-	516,508	-
Change in non-controlling interests due to increase in the share capital of a subsidiary	-	-	-
Dividends of a subsidiary	-	-	-
Balance at 31 December 2017	150,000,000	4,505,284	689,496
2016			
Balance at 1 January 2016	150,000,000	3,819,642	689,496
Total comprehensive income for the year	-	-	-
Transferred to reserves	-	169,134	-
Dividends of a subsidiary	-	-	-
Balance at 31 December 2016	150,000,000	3,988,776	689,496

The accompanying notes from 1 to 33 form part of these consolidated financial statements

holders of the parent

Cumulative change in fair value	Retained earnings (accumulated losses)	Total	Non-controlling interests	Total equity
JD	JD	JD	JD	JD
8,585,878	(1,669,665)	161,594,485	20,981,408	182,575,893
101,449	5,165,078	5,266,527	1,568,452	6,834,979
-	(516,508)	-	-	-
-	(21,008)	(21,008)	21,008	-
-	-	-	(1,063,824)	(1,063,824)
8,687,327	2,957,897	166,840,004	21,507,044	188,347,048
8,530,523	(3,191,867)	159,847,794	20,714,857	180,562,651
55,355	1,691,336	1,746,691	991,886	2,738,577
-	(169,134)	-	-	-
-	-	-	(725,335)	(725,335)
8,585,878	(1,669,665)	161,594,485	20,981,408	182,575,893

ZARA INVESTMENT (HOLDING) COMPANY P.S.C

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

Operating Activities	Notes	2017	2016
		JD	JD
Profit for the year before income tax		6,167,452	3,474,764
Adjustments for			
Interest income		(282,439)	(178,482)
(Gain) loss on sale and disposal of property and equipment		(13,043)	6,361
Dividends income		(36,418)	(80,119)
Finance costs		788,651	1,279,457
Depreciation		8,993,794	11,542,160
Other provisions		106,236	778,011
Provision for projects in progress		-	18,369
Provision (recovery from) for doubtful accounts, net		15,199	(171,494)
Changes in working capital			
Inventories		103,648	98,272
Accounts receivable		188,874	(386,684)
Other current assets		866,871	894,189
Accounts payable		286,149	1,857,628
Other current liabilities		(477,119)	107,420
Other provisions paid		(123,950)	(297,111)
Income tax paid		(578,796)	(750,515)
Net cash flows from operating activities		16,005,109	18,192,226

Investing activities	Notes	2016	2017
		JD	JD
Purchase of property and equipment	4	(3,599,564)	(3,569,057)
Proceeds from sale of property and equipment		100,930	40,685
Purchase of investment properties	5	(23,409)	(1,900)
Projects in progress	6	(1,644,294)	(772,005)
Advance payments to suppliers and contractors and contractors' accruals and retentions		(37,115)	(2,472)
Interest income received		282,439	178,482
Dividends income received		36,418	80,119
Net cash flows used in investing activities		(4,884,595)	(4,046,148)

Financing Activities

Repayments of loans		(10,549,149)	(12,032,826)
Loan received		796,500	265,500
Dividends of a subsidiary to non-controlling interests		(1,063,824)	(725,335)
Finance costs paid		(830,511)	(1,308,822)
Net cash flows used in financing activities		(11,646,984)	(13,801,483)
Net (decrease) increase in cash and cash equivalents		(526,470)	344,595
Cash and cash equivalents at the beginning of the year		12,328,294	11,983,699
Cash and cash equivalents at the end of the year	12	11,801,824	12,328,294

The accompanying notes from 1 to 33 form part of these consolidated financial statements

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 as of 31 December 2017.

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 21 March 2018. 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 (note 27) as at 31 December 2017.

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 in 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 (27).

2.3 Changes in accounting policies

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2016 except for the followings:

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

Limited amendments which require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). However, the adoption of these amendments have no impact on the Company's financial statements.

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Un-recognised Losses

Limited amendments to clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference and some other limited amendments, the adoption of these amendments have no impact on the Company's financial statements

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

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.

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 it is 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 consolidated statement of changes in 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 in the consolidated statement of other comprehensive income and in the consolidated statement of changes in 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 consolidated 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 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 accounts 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.

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

Accounts payables are obligations to pay for goods and 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 recognised 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 Tax

Provision for income tax is calculated in accordance with the prevailing Income Tax Law applicable in the Hashemite Kingdom of Jordan.

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 recognised on a straight-line basis over the lease term as other income.
Other revenues are recognized on accrual basis.

Operating Lease

Group as a lessee
Operating leases are recognised 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 recognised 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.

4 Property and Equipment

	Land	Buildings	Electro-mechanicals
	JD	JD	JD
2017			
Cost			
At 1 January 2017	36,072,785	161,349,027	66,889,227
Additions	520,448	354,705	409,367
Transferred from projects in progress	-	450,592	251,886
Disposals	-	(12,450)	(124,051)
At 31 December 2017	36,593,233	162,141,874	67,426,429
Accumulated depreciation			
At 1 January 2017	-	48,922,207	63,746,689
Additions	-	3,194,873	1,543,669
Disposals	-	(996)	(124,036)
At 31 December 2017	-	52,116,084	65,166,322
Net book value at 31 December 2017	36,593,233	110,025,790	2,260,107
2016			
Cost			
At 1 January 2016	35,349,349	160,961,503	66,958,674
Additions	341,786	345,320	187,496
Transferred from projects in progress	-	95,806	91,721
Transferred from advance payments on land purchases	381,650	-	-
Disposals	-	(53,602)	(348,664)
At 31 December 2016	36,072,785	161,349,027	66,889,227
Accumulated depreciation			
At 1 January 2016	-	45,741,659	61,283,923
Additions	-	3,190,658	2,810,908
Disposals	-	(10,110)	(348,142)
At 31 December 2016	-	48,922,207	63,746,689
Net book value at 31 December 2016	36,072,785	112,426,820	3,142,538

The cost of fully depreciated property and equipment as at 31 December 2017 is JD 144,080,259 (2016: JD 124,734,297).

Machinery and equipment	Furniture and fixtures	Computer hardware and software	Vehicles	Others	Total
JD	JD	JD	JD	JD	JD
38,653,153	50,943,012	8,210,080	1,547,144	2,555,228	366,219,656
1,099,428	755,737	360,165	99,714	-	3,599,564
181,776	1,350,852	23,556	-	-	2,258,662
(198,297)	(359,040)	(23,436)	(131,625)	-	(848,899)
39,736,060	52,690,561	8,570,365	1,515,233	2,555,228	371,228,983
32,892,824	46,428,308	7,246,832	1,256,990	1,875,165	202,369,015
1,788,158	1,822,823	411,826	65,157	18,149	8,844,655
(195,043)	(357,033)	(23,436)	(60,468)	-	(761,012)
34,485,939	47,894,098	7,635,222	1,261,679	1,893,314	210,452,658
5,250,121	4,796,463	935,143	253,554	661,914	160,776,325
37,266,878	50,214,357	7,806,696	1,441,034	2,555,228	362,553,719
1,385,396	784,710	418,239	106,110	-	3,569,057
36,416	31,001	2,189	-	-	257,133
-	-	-	-	-	381,650
(35,537)	(87,056)	(17,044)	-	-	(541,903)
38,653,153	50,943,012	8,210,080	1,547,144	2,555,228	366,219,656
30,893,965	43,691,996	6,845,705	1,162,504	1,856,966	191,476,718
2,034,393	2,820,339	418,171	94,486	18,199	11,387,154
(35,534)	(84,027)	(17,044)	-	-	(494,857)
32,892,824	46,428,308	7,246,832	1,256,990	1,875,165	202,369,015
5,760,329	4,514,704	963,248	290,154	680,063	163,850,641

5 Investment Properties

	2017	2016
	JD	JD
Cost		
As at 1 January	10,489,227	10,487,327
Additions	23,409	1,900
As at 31 December	10,512,636	10,489,227
Accumulated depreciation		
As at 1 January	4,647,478	4,492,472
Additions	149,139	155,006
As at 31 December	4,796,617	4,647,478
Net book value		
At 31 December	5,716,019	5,841,749

The fair value of the investment properties is estimated, by a real estate appraiser, at JD 10,264,959 as at 31 December 2017 (2016: JD 10,264,959).

6 Projects in Progress

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

	2017	2016
	JD	JD
Jordan Himmeh Mineral Company *	419,382	376,902
Nabatean Hotels Co.	33,883	12,228
Amman Tourism Investment Co.	66,471	11,500
Oasis Hotels Co. *	525,703	525,703
National Hotels and Tourism Co.	297,734	980,694
Red Sea Hotels Co.	15,161	-
South Coast Hotels Co. *	528,245	528,245
Zara South Coast Development Co.	5,355	71,030
Zara Investment Co.	102,986	102,986
	1,994,920	2,609,288
Less: provision for projects in progress *	(1,526,378)	(1,526,378)
	468,542	1,082,910

No interest expense was capitalized on projects in progress during 2017 and 2016.

Movement on projects in progress is as follow:

	2017	2016
	JD	JD
Beginning balance	2,609,288	2,094,416
Additions	1,644,294	772,005
Transferred to property and equipment	(2,258,662)	(257,133)
	1,994,920	2,609,288
Provision for projects in progress	(1,526,378)	(1,526,378)
Ending balance	468,542	1,082,910

Movement on provision of projects in progress is as follows:

	2017	2016
	JD	JD
Beginning balance	1,526,378	1,508,009
Charge of the year	-	18,369
Ending balance	1,526,378	1,526,378

The estimated cost to complete above projects is approximately JD 4,000,000 as of 31 December 2017 (2016: 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:

	2017	2016
	JD	JD
Quoted shares – Local		
Jordan Express Tourist Transport Company	684,651	571,756
Jordan Projects Tourism Development Company	11,206,493	11,206,493
	11,891,144	11,778,249
Unquoted shares – Local		
Jordan Hotels and Tourism Education	180,000	180,000
Dead Sea Touristic and Real Estate Investments Company	354,000	354,000
	534,000	534,000
Unquoted shares – Foreign		
Jerusalem Tourism Investment Company	-	5,800
Palestine Tourism Investment Company	955,909	955,909
	955,909	961,709
	13,381,053	13,273,958

Movement on financial assets at fair value through other comprehensive income is as follows:

	2017	2016
	JD	JD
Beginning balance	13,273,958	13,215,689
Change in fair value	107,095	58,269
Ending balance	13,381,053	13,273,958

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:

	2017	2016
	JD	JD
Beginning balance	8,585,878	8,530,523
Change in fair value of financial assets at fair value through other comprehensive income	107,095	58,269
Change in deferred tax liabilities (note 22)	(5,646)	(2,914)
Ending balance	8,687,327	8,585,878

9 Inventories

	2017	2016
	JD	JD
Food and beverages	539,024	539,694
Supplies and equipment	1,032,287	1,141,482
Others	161,784	155,567
	1,733,095	1,836,743

10 Accounts Receivable

	2017	2016
	JD	JD
Accounts receivable	5,784,704	5,988,744
Provision for doubtful accounts	(926,467)	(926,434)
	4,858,237	5,062,310

Movement on the provision for doubtful accounts is as follows:

	2017	2016
	JD	JD
Beginning balance	926,434	1,098,280
Charge for the year *	64,062	18,444
Reversals during the year **	(48,863)	(189,938)
Amounts written off during the year	(15,166)	(352)
Ending Balance	926,467	926,434

* Charge for the year was allocated to administrative expenses for JD 50,762 (2016: nil) and to operating expenses for JD 13,300 (2016: JD 18,444).

** No reversals during the year were added to other income (2016: JD 82,108) and reversals were deducted from operating expenses for JD 48,863 (2016: JD 107,830).

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

		Past due but not impaired				
	Neither past due nor impaired	1 – 30 days	31 – 90 days	91 – 120 days	> 120 days	Total
	JD	JD	JD	JD	JD	JD
2017	1,322,264	1,412,891	2,115,960	-	7,122	4,858,237
2016	730,534	2,087,388	2,222,100	-	22,288	5,062,310

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.

11 Other Current Assets

	2017	2016
	JD	JD
Aqaba Special Economic Zone Authority *	4,001,857	5,333,232
Refundable deposits	714,837	678,259
Advance payments to suppliers and contractors	710,453	642,353
Prepaid expenses	1,172,861	883,305
Others	859,201	720,831
	7,459,209	8,257,980
Non-current portion	2,670,482	4,001,857
Current portion	4,788,727	4,256,123
	7,459,209	8,257,980

* In 2015, each of the two subsidiaries (South Coast Real Estate Development Company and South Coast Hotels 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 two subsidiaries in five equal annual instalments amounting to JD 1.3 million each over a period of 5 years starting in 2016 and ending in 2020.

12 Cash on Hand and at Banks

	2017	2016
	JD	JD
Cash on hand	117,768	112,712
Current accounts	7,535,340	5,636,781
Term deposits *	9,935,028	9,475,414
	17,588,136	15,224,907

* Term deposits are fixed for 1 to 3 months and earn annual interest rate ranging from 1% to 5.5% per annum.

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

	2017	2016
	JD	JD
Cash on hand and at banks	17,588,136	15,224,907
Due to banks (note 15)	(5,786,312)	(2,896,613)
	11,801,824	12,328,294

13 Equity

Authorized and Paid-in Capital -
The Company's authorized and paid-in capital is 150,000,000 shares of JD 1 par value each as at 31 December 2017.

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 annual profits before tax. This reserve is available for distribution to the shareholders.

14 Long-Term Loans

This item consists of the following:

		Loans instalments					
		2017			2016		
	Currency	Short Term	Long Term	Total	Short Term	Long Term	Total
		JD	JD	JD	JD	JD	JD
Arab Bank – Amman Tourism Investment Co.							
	USD	1,520,000	-	1,520,000	1,520,000	1,520,000	3,040,000
Arab Bank – Zara Investment Co.							
	USD	1,480,000	-	1,480,000	1,480,000	1,480,000	2,960,000
Syndicated loan – Zara Investment Co.							
	USD	3,406,200	-	3,406,200	3,332,300	3,406,200	6,738,500
International Finance Corporation – Zara investment Co.							
	USD	-	-	-	4,216,849	-	4,216,849
Movenpick Company – National Hotels and Tourism Co.							
	USD	424,800	637,200	1,062,000	-	265,500	265,500
		6,831,000	637,200	7,468,200	10,549,149	6,671,700	17,220,849

Arab Bank - Amman Tourism Investment Company - USD

On 14 January 1998, a loan 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 collaterals, and a six-month LIBOR floating interest rate is due plus 3% annual margin 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 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 Movenpick Resort & Residence Aqaba. 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 and same collaterals. The loan was 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 was 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 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 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 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 collaterals and a six-month LIBOR floating interest rate is due 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 Company - USD

On 28 February 2008, the Company signed a loan agreement of USD 40,000,000 to finance the construction of Movenpick Resort & Spa 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 on 15 December 2017. During the second half of 2008, the Company utilized USD 30,000,000 and USD 7,000,000 at an annual 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%.

Movenpick Hotels & Resorts Management - National Hotels & Tourism Company - USD

On 2 April 2015, an interest–free loan agreement of USD 1,500,000 (JD 1,062,000) was signed between Movenpick Hotels & Resorts Management FZ LLC and National Hotels & Tourism Company, to finance the soft renovation of the Movenpick Resort & Spa Dead Sea whereby the loan is utilized in 4 equal disbursements, according to the percentage of completion. The loans is repayable in 5 equal semi–annual instalments of USD 300,000 (JD 212,400) commencing on 1 January 2018 and ending on 1 January 2020. During 2016, the first disbursement of USD 375,000 (JD 265,500) was made, and during 2017 the remaining disbursements of USD 1,125,000 (JD 796,500) were made.

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
2018	6,831,000
2019	424,800
2020	212,400
Total	7,468,200

15 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 USD 10,000,000, JD 1,000,000 and JD 2,000,000 respectively. The annual interest rate on these facilities range from 4.25% to 9.125% including the commission.

16 Other Current Liabilities

	2017	2016
	JD	JD
Accrued interest	46,005	87,865
Contractors' accruals and retentions	65,124	34,139
Accrued expenses	2,305,327	2,617,996
Deposits	401,337	491,421
Accrued credit card commission	41,627	208,332
Others	1,009,188	916,849
	3,868,608	4,356,602

17 Other Provisions

2017	Legal claims	Employees' benefits	Others	Total
	JD	JD	JD	JD
Beginning balance	359,851	217,588	120,000	697,439
Charge for the year	-	61,236	45,000	106,236
Paid during the year	-	(76,430)	(47,520)	(123,950)
Ending balance	359,851	202,394	117,480	679,725

2016	Legal claims	Employees' benefits	Others	Total
	JD	JD	JD	JD
Beginning balance	9,851	161,688	45,000	216,539
Charge for the year	350,000	308,011	120,000	778,011
Paid during the year	-	(252,111)	(45,000)	(297,111)
Ending balance	359,851	217,588	120,000	697,439

18 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 Hotel Intercontinental Jordan.
- Other segments: represent transactions of the Holding Company and other segments.

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.

2017 -	Hotels Segment	Other Segments	Eliminations	Total
	JD	JD	JD	JD
Operating revenues	67,061,870	1,436,834	(766,194)	67,732,510
Operating expenses	(49,405,017)	(989,779)	766,194	(49,628,602)
Net operating revenues	17,656,853	447,055	-	18,103,908

Other information -

	Hotels Segment	Other Segments	Eliminations	Total
Segment assets	209,787,638	55,436,081	(51,646,788)	213,576,931
Segment liabilities	58,310,272	18,566,399	(51,646,788)	25,229,883
Depreciation	8,952,833	40,961	-	8,993,794
Provision for doubtful accounts	50,762	13,300	-	64,062
Interest income	280,626	1,813	-	282,439
Finance costs	546,986	241,665	-	788,651
Capital expenditures	5,087,110	180,157	-	5,267,267
Non-current assets	172,269,896	12,338,840	-	184,608,736

* Hotels' net operating revenues consist of the following:

	Operating revenues	Operating expenses	Net operating revenues
	JD	JD	JD
Hotel Intercontinental Jordan	19,902,851	(13,729,308)	6,173,543
Grand Hyatt Amman	11,660,580	(9,622,002)	2,038,578
Dead Sea Movenpick Hotel	11,592,085	(8,869,273)	2,722,812
Petra Movenpick Hotel	5,911,450	(3,703,299)	2,208,151
Aqaba Movenpick Hotel	7,176,527	(5,661,322)	1,515,205
Nabatean Castle Hotel	909,599	(690,495)	219,104
Tala Bay Movenpick Hotel	9,908,778	(7,129,318)	2,779,460
Total	67,061,870	(49,405,017)	17,656,853

2016 -	Hotels Segment	Other Segments	Eliminations	Total
	JD	JD	JD	JD
Operating revenues	69,432,265	1,337,319	(932,095)	69,837,489
Operating expenses	(50,562,186)	(906,701)	932,095	(50,536,792)
Net operating revenues	18,870,079	430,618	-	19,300,697

Other information -

Segment assets	206,605,875	55,036,157	(47,210,834)	214,431,198
Segment liabilities	60,227,939	18,838,200	(47,210,834)	31,855,305
Depreciation	11,494,029	48,131	-	11,542,160
Provision for doubtful accounts	18,444	-	-	18,444
Interest income	177,490	992	-	178,482
Finance costs	986,582	292,875	-	1,279,457
Capital expenditures	4,275,517	67,445	-	4,342,962
Non-current assets	174,455,698	17,388,274	(3,792,857)	188,051,115

* Hotels' net operating revenues consist of the following:

	Operating revenues	Operating expenses	Net operating revenues (losses)
	JD	JD	JD
Hotel Intercontinental Jordan	21,664,859	(14,964,770)	6,700,089
Grand Hyatt Amman	13,611,042	(10,169,914)	3,441,128
Dead Sea Movenpick Hotel	12,298,964	(9,170,123)	3,128,841
Petra Movenpick Hotel	5,005,426	(3,240,469)	1,764,957
Aqaba Movenpick Hotel	6,948,675	(5,606,131)	1,342,544
Nabatean Castle Hotel	-	(136,170)	(136,170)
Tala Bay Movenpick Hotel	9,903,299	(7,274,609)	2,628,690
Total	69,432,265	(50,562,186)	18,870,079

19 Other Income, Net

	2017	2016
	JD	JD
Rent	638,743	654,357
Gain (loss) on sale and disposal of property and equipment	13,043	(6,361)
Gain on disposal of insured property and equipment	-	58,225
Loss on impairment of projects in progress	-	(18,369)
Dividends income	36,418	80,119
Credit card commission	166,688	166,688
Others	25,068	152,342
	879,960	1,087,001

20 Administrative Expenses

	2017	2016
	JD	JD
Salaries and wages	1,018,674	1,154,434
Boards of directors' remuneration	260,496	258,449
Bonuses	37,660	18,819
Provision for doubtful accounts	50,762	-
Donations	50,407	26,001
Governmental expenses	35,942	29,850
Hospitality	11,933	25,419
Insurance	276,282	354,599
Bank charges	130,600	139,404
Maintenance	34,728	38,407
Professional fees	162,654	196,990
Property tax	211,095	224,936
Postage and telephone	31,289	24,436
Rent	303,301	300,718
Subscriptions	45,837	45,816
Withholding tax	14,197	16,453
Travel and transportation	19,001	29,279
Advertising and marketing	32,688	19,938
Others	482,628	587,840
	3,210,174	3,491,788

21 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.

22 Income Tax

Deferred tax assets

Deferred tax assets represent the estimated tax effect of accumulated tax losses carried forward pertaining to Nabatean Hotels Company for JD 3,741,385 up to 2015 and Zara South Cost Development Company for JD 16,960,760 up to 2014.

Movement on deferred tax liabilities is as follows:

	2017	2016
	JD	JD
Beginning balance	-	-
Tax effect of accumulated tax losses carried forward	1,596,315	-
Ending balance	1,596,315	-

Deferred tax liabilities

Deferred tax liabilities comprise the estimated income tax on unrealized gains from financial assets at fair value through other comprehensive income, which appear in the cumulative change in fair value in equity, as well as on depreciation differences related to machinery and equipment and computer hardware and software, which are depreciated for financial reporting purposes at rates lower than those used in the computation of the provision for income tax.

Movement on deferred tax liabilities is as follows:

	2017	2016
	JD	JD
Beginning balance	115,181	112,267
Change in fair value of financial assets (Note 8)	5,646	2,914
Depreciation differences related to machinery and equipment and computer hardware and software	319,659	-
Ending balance	440,486	115,181

Provision for income tax

	2017	2016
	JD	JD
Beginning balance	718,932	677,905
Income tax for the year	680,021	791,542
Prior years' income tax	30,557	-
Income tax paid	(578,796)	(750,515)
Ending balance	850,714	718,932

Income tax, net

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

	2017	2016
	JD	JD
Current year income tax	680,021	791,542
Prior years' income tax	30,557	-
Deferred income tax	319,659	-
Income tax benefit	(1,596,315)	-
	(566,078)	791,542

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

	2017	2016
	JD	JD
Accounting profit before tax	6,167,452	3,474,764
Losses of the Company and other subsidiaries	1,645,686	871,964
Carried forward losses	(3,041,253)	(55,226)
Non-taxable income	(1,168,179)	(1,125,474)
Depreciation differences	(540,150)	(803,299)
Non-deductible expenses	1,522,844	3,423,906
Taxable income	4,586,400	5,786,635
Income tax benefit (expense) for the year	566,078	(791,542)
Statutory tax rate	5% - 20%	5% - 20%
Effective tax rate	-	22.8%

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 2016 and 2017, due to the excess of deductible expenses over taxable revenues, or due to accumulated losses from prior years, in accordance with the Income Tax Law no. (34) of 2014.

The Company and all its subsidiaries, except for National Hotels and Tourism Company and Red Sea Hotels Company, have obtained final clearance from the Income Tax Department up to 2014.

Red Sea Hotels Company has obtained final clearance from the Income Tax Department up to 2013.

Nabatean Hotels Company and National Hotels and Tourism Company have obtained final clearance from the Income Tax Department up to 2015.

The Income Tax Department has reviewed the accounting records of Red Sea Hotels Company for 2014 and 2015, but has not issued yet the final report up to the date of these consolidated financial statements.

The Income Tax Department has not reviewed the accounting records of the Company and a number of its subsidiaries for 2015 and 2016 up to the date of these consolidated financial statements.

23 Basic and Diluted Earnings per Share

	2017	2016
	JD	JD
Profit attributable to equity owners of the parent (JD)	5,165,078	1,691,336
Weighted average number of shares (Share)	150,000,000	150,000,000
Basic earnings per share (JD/Fils)	0/034	0/011

Basic and diluted earnings per share for the year are equal.

24 Contingent Liabilities

The Group has outstanding bank guarantees of JD 103,500 as at 31 December 2017 (2016: JD 103,000).

25 Operating Lease Commitments

Group as a lessee -

On 1 September 2017, the Company signed a one-year renewable office lease agreement with Astra Company (sister company) for JD 145,368 (2016: JD 145,368). Also, some of the Group’s subsidiaries and hotels rent offices, stores, and land lots for periods ranging from one to five years.

The future minimum rentals payable under operating leases at 31 December are as follows:

	2017	2016
	JD	JD
Within one year	346,509	398,954
After one year but not more than five years	1,057,368	1,213,983
	1,403,877	1,612,937

Group as a lessor

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

	2017	2016
	JD	JD
Within one year	376,937	247,353
After one year but not more than five years	569,050	650,467
More than five years	42,273	134,459
	988,260	1,032,279

26 Litigations Against The Group

In the normal course of business, the Group appears as a defendant in a number of lawsuits amounting to JD 134,259 as of 31 December 2017 (2016: 165,632). 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.

27 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. PSC	10,000,000	Hotel InterContinental Jordan	51.6
Jordan Himmeh Mineral Co. PSC	500,000	Himmeh Resort	55.8
Nabatean Hotels Co. LLC *	3,300,000	Nabatean Castle Hotel and 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	700,000	Tourism Project - Wadi Mousa	82.1
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	330,000	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
Zara Agricultural Services and Marketing Co. LLC	5,000	Plant maintenance	100

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 Nabatean Hotels Company and Levant Hotels and Tourism Company – sister company with capital amounting to JD 500,000 and owns Petra Movenpick Hotel - held on 6 October 2015 approved the merge of both companies where the former is the acquirer and the latter is the acquiree. On 27 July 2016, the Companies Controller issued the final consent of the merge effective 1 January 2016 whereby the acquirer becomes the legal successor of the acquiree.

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

	2017	2016
	JD	JD
Bank balances – Arab Bank, Etihad Bank, and Cairo Amman Bank	16,995,990	15,112,195
Long-term loans – Arab Bank, Etihad Bank, and Cairo Amman Bank	6,406,200	12,738,500
Due to banks – Arab Bank, Etihad Bank, and Cairo Amman Bank	5,786,312	2,896,613
Amounts due to Astra Investment Company	100,000	100,000
Amounts due from Cairo Amman Bank	7,810	12,891

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

	2017	2016
	JD	JD
Finance costs – Arab Bank, Etihad Bank and Cairo Amman Bank	615,589	878,400
Interest income – Cairo Amman Bank and Etihad Bank	282,439	178,482
Rent income – Cairo Amman Bank	224,168	173,801
Rent expense – Astra Investment Company	148,068	146,508
Boards of directors' remuneration and transportation:		
- Zara Investment Company	152,385	152,449
- Jordan Hotels and Tourism Company	153,000	151,000
	305,385	303,449

Key management personnel compensation is as follow:

	2017	2016
	JD	JD
Salaries, compensation and other benefits	188,350	356,284

28 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:

2017	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%	82.1%
Country of incorporation and operation	Jordan	Jordan	Jordan
Accumulated balance of non-controlling interests (JD)	15,248,912	445,437	71,222
Non-controlling interests share of profit (loss) (JD)	1,204,506	(8,339)	(558)
	JD	JD	JD
Condensed statement of financial position			
Current assets	9,418,500	269,162	5,359
Non-current assets	25,521,675	773,175	609,651
Current liabilities	(3,273,368)	(35,081)	(216,168)
Non-current liabilities	(131,887)	-	-
Equity	31,534,920	1,007,256	398,842
Attributable to:			
Shareholders of the parent	16,286,007	561,819	327,620
Non-controlling interests	15,248,912	445,437	71,222
Condensed statement of profit or loss			
Revenues	19,902,851	-	-
Expenses	(17,090,310)	(27,227)	(3,128)
Other revenues	415,244	8,371	14
Finance cost	-	-	(13)
Profit (loss) before income tax	3,227,785	(18,856)	(3,127)
Income tax expense	(736,854)	-	-
Profit (loss) for the year	2,490,931	(18,856)	(3,127)
Other comprehensive income	2,490,931	(18,856)	(3,127)
Attributable to non-controlling interests	1,204,506	(8,339)	(558)
Profit distributions to non-controlling interests	1,063,824	-	-
Condensed statement of cash flows			
Operating activities	5,172,101	(17,082)	(1,274)
Investing activities	(6,329,135)	(73,893)	(139,294)
Financing activities	(2,142,112)	2,868	143,235
Net (decrease) increase in cash and cash equivalent	(3,299,146)	(88,107)	2,667

Oasis Hotels Co. LLC	Zara Agricultural Co. LLC	South Coast Real Estate 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
48,907	63,383	1,742,750	724,676	3,161,757
(575)	1,171	(1,020)	(1,041)	374,308
JD	JD	JD	JD	JD
96,399	151,562	4,827,327	1,952,675	3,536,359
532,788	-	4,856,662	2,076,174	24,239,945
(3,176)	(12,990)	(2,045)	(2,870)	(6,975,246)
-	-	-	-	(25,413)
626,011	138,572	9,681,944	4,025,979	20,775,645
577,104	75,189	7,939,194	3,301,303	17,613,888
48,907	63,383	1,742,750	724,676	3,161,757
-	164,648	-	-	9,908,778
(5,030)	(161,881)	(5,675)	(5,772)	(8,251,893)
16	431	21	21	97,044
(2,345)	-	(13)	(33)	(117,006)
(7,359)	3,198	(5,667)	(5,784)	1,636,923
-	(639)	-	-	822,625
(7,359)	2,559	(5,667)	(5,784)	2,459,548
(7,359)	2,559	(5,667)	(5,784)	2,459,548
(575)	1,171	(1,020)	(1,041)	374,308
-	-	-	-	-
(2,505)	(24,045)	1,081,970	237,850	2,641,682
16	11,783	22	21	(376,603)
5,207	17,949	(1,080,223)	(236,103)	(1,951,672)
2,718	5,687	1,769	1,768	313,407

2016	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 (JD)	15,108,231	453,775	50,772
Non-controlling interests share of profit (loss) (JD)	1,021,680	(11,728)	(792)

	JD	JD	JD
Condensed statement of financial position			
Current assets	6,955,759	352,072	2,684
Non-current assets	27,079,562	691,046	470,343
Current liabilities	(2,791,332)	(17,006)	(269,640)
Non-current liabilities	-	-	(298)
Equity	31,243,989	1,026,112	203,089
Attributable to:			
Shareholders of the parent	16,135,758	572,337	152,317
Non-controlling interests	15,108,231	453,775	50,772
Condensed statement of profit or loss			
Revenues	21,664,859	-	-
Expenses	(19,356,846)	(35,942)	(3,157)
Other revenues	296,989	9,422	21
Finance cost	(50,043)	-	(31)
Profit (loss) before income tax	2,554,959	(26,520)	(3,167)
Income tax expense	(442,114)	-	-
Profit (loss) for the year	2,112,845	(26,520)	(3,167)
Other comprehensive income	2,112,845	(26,520)	(3,167)
Attributable to non-controlling interests	1,021,680	(11,728)	(792)
Profit distributions to non-controlling interests	725,335	-	-
Condensed statement of cash flows			
Operating activities	6,522,115	(61,001)	(2,970)
Investing activities	(1,245,371)	6,480	-
Financing activities	(3,254,050)	(128,969)	89
Net increase (decrease) in cash and cash equivalent	2,022,694	(183,490)	(2,881)

	Oasis Hotels Co. LLC	Zara Agricultural Co. LLC	South Coast Real Estate 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
	49,482	62,213	1,743,770	725,717	2,787,450
	(821)	2,218	(1,021)	(785)	(16,865)
	JD	JD	JD	JD	JD
	154,584	153,049	4,833,241	1,959,143	2,865,567
	532,788	14,079	4,856,662	2,076,174	24,007,715
	(1,738)	(31,114)	(1,994)	(2,809)	(7,292,899)
	(52,263)	-	(298)	(745)	(1,264,286)
	633,371	136,014	9,687,611	4,031,763	18,316,097
	583,889	73,801	7,943,841	3,306,046	15,528,647
	49,482	62,213	1,743,770	725,717	2,787,450
	-	181,370	-	-	9,903,299
	(5,065)	(172,293)	(5,660)	(4,311)	(9,798,536)
	25	372	18	26	96,450
	(5,467)	-	(31)	(78)	(312,031)
	(10,507)	9,449	(5,673)	(4,363)	(110,818)
	-	(4,600)	-	-	-
	(10,507)	4,849	(5,673)	(4,363)	(110,818)
	(10,507)	4,849	(5,673)	(4,363)	(110,818)
	(821)	2,218	(1,021)	(785)	(16,865)
	-	-	-	-	-
	(3,947)	16,822	(6,317)	(3,447)	2,654,261
	-	372	1,089,280	244,147	(784,300)
	254	(51,696)	(1,085,250)	(242,988)	(1,808,702)
	(3,693)	(34,502)	(2,287)	(2,288)	61,259

29 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.

	Increase in interest rate	Effect on profit for the year before tax
2017	Basis Points	JD
JD	75	(31,115)
USD	75	56,012

	Increase in interest rate	Effect on profit for the year before tax
2016	Basis Points	JD
JD	75	(49,341)
USD	75	129,156

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.

	Increase in market index	Effect on the consolidated statement of other comprehensive income and equity
2017	%	JD
Amman Stock Exchange	10	1,189,114

		Effect on the consolidated statement of other comprehensive income and equity
2016	%	JD
Amman Stock Exchange	10	1,177,825

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

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 2017.

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 2017	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
		JD	JD	JD	JD
Accounts payable and other liabilities	-	9,491,980	111,129	-	9,603,109
Due to banks	5,786,312	-	-	-	5,786,312
Loans	-	-	6,691,079	-	6,691,079
Total	5,786,312	9,491,980	6,802,208	-	22,080,500

As at 31 December 2016	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
		JD	JD	JD	JD
Accounts payable and other liabilities	-	9,574,497	122,004	-	9,696,501
Due to banks	2,896,613	-	-	-	2,896,613
Loans	-	-	11,228,027	6,656,076	17,884,103
Total	2,896,613	9,574,497	11,350,031	6,656,076	30,477,217

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.

30 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 accounts payable, due to banks, loans, 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 2017			
	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
Financial assets at fair value through other comprehensive income (quoted)	684,651	-	11,206,493	11,891,144

	31 December 2016			
	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
Financial assets at fair value through other comprehensive income (quoted)	571,756	-	11,206,493	11,778,249

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

31 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 and retained earnings (accumulated losses), and is measured at JD 166,840,004 as at 31 December 2017 (2016: JD 161,594,485).

32 Standards Issued But Not Yet Effective

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

IFRS 9 Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. The Company has implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011.

The new version of IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required; however, the entities are exempted from restating their comparative information.

The Group plans to adopt the remaining phases on the effective date and will not restate comparative information.

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 15 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.

(a) Classification and Measurement

The Group does not expect a material impact on its balance sheet or equity on applying the new classification and measurement category of IFRS 9.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under IFRS 9. Therefore, reclassification for these instruments is not required.

(b) Impairment

IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected losses on all trade receivables. The Group has estimated that the additional provision to be recorded resulting from the expected credit loss from its trade receivables will not be material compared to the current requirements of provisioning for doubtful trade receivables.

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 15 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.

The Group does not expect a material impact on its balance sheet or equity on applying the requirements of IFRS 15.

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

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

IFRS 2 Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

Entities may apply the amendments prospectively and are effective for annual periods beginning on or after 1 January 2018, with early application permitted.

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.

IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 -Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2021. Early application is permitted.

Transfers of Investment Property (Amendments to IAS 40)

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively and effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed.

Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

In September 2016, the IASB issued amendments to IFRS 4 to address issues arising from the different effective dates of IFRS 9 and the upcoming new insurance contracts standard (IFRS 17). The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, a temporary exemption from implementing IFRS 9 to annual periods beginning before 1 January 2021 at latest and an overlay approach that allows an entity applying IFRS 9 to reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if an entity had applied IAS 39 to these designated financial assets.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. Entities may apply the amendments on a fully retrospective or prospective basis. The new interpretation will be effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

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

COMPARATIVE FIGURES

Some of 2016 figures have been reclassified in order to conform with the presentation of 2017 figures. Such reclassification did not affect previously reported profit or equity for the year 2016.

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	Yassin Khalil "Mohammad Yassin" Talhouni	Ahmad Ibrahim Mohammad Jamjoum

Recommendations for the Ordinary General Assembly

1. Recitation of the Board of Directors 23rd report held on 26/4/2017 and its approval.

2. Recitation and discussion of the Board of Directors report for the year ended 31/12/2017 and its approval.

3. Recitation of the auditors's report on the consolidated financial statements for the year ended 31/12/2017.

4. Discussion of the Company's consolidated financial statements for the year ended 31/12/2017 and its approval.

5. Approval of the appointment of Mr. Helal Omar Mustafa Abu-Zaid - an independent member - in the Board of Directors to secceed the resigned member (Cairo Amman Bank), or otherwise election of a new member for the vacant seat.

6. Approval of the recommendation of the Board of Directors to distribute cash dividends for the year 2017 at 2% of the par value common stock to the shareholders as of the date of the meeting of ordinary general assembly.

7. Release of the Board of Directors for any liability for the year ended 31/12/2017 in accordance with the law.

8. Election of the Company's auditors for the year ending 31/12/2018 and determination of their fees, or otherwise authorizing the Board of Directors to do so.

9. Any other matters the ordinary 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