



Zara Investment Holding  
شركة زارة للاستثمار القابضة



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## Zara Investment (Holding) Company PSC

### 30<sup>th</sup> Annual Report 2023

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### **Zara Investment (Holding) Company PSC**

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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

**Mohamed Ibrahim Ali Bin Ismail**  
Member / Representing  
Libyan Foreign Investments Company  
from 4/7/2023

**Ezzeddin Mohamed M Elghoul**  
Member / Representing  
Libyan Foreign Investments Company  
till 3/7/2023

**Radi Shehadeh Hasan AlQudah**  
Member / Representing  
Social Security Corporation  
from 1/10/2023

**Buthayna M. M. Mahadeen**  
Member / Representing  
Social Security Corporation  
till 30/9/2023

**Suleiman Zayed Ali Al-N'eimat**  
Member / Representing  
Rama Investment and Saving Company  
from 1/4/2023

**Suzan Samir Hasan Mustafa**  
Member / Representing  
Rama Investment and Saving Company  
till 31/3/2023

**Mahmoud Suleiman Fares Maaytah**  
Member / Representing  
Rama Investment & Saving Company  
till 1/3/2023

**Isam Halim Jeries Salfiti**  
Member / Representing Bank Al-Etihad

**Yassin Khalil "Mohammad Yassin" Talhouni**  
Member

**Nasser Awwad Mohammad Al-Khaldi**  
Member

**Yazid Adnan Mustafa Mufti**  
Member

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

**Samir Said Abdel-Muti Murad**  
Member

**Hilal Omar Mustafa Abu Zeid**  
Member

**Yassin Khalil "Mohammad Yassin" Talhouni**  
General Manager

**Hadidi & Co. - Rami Hadidi**  
Legal Advisor

**Ernst & Young**  
External Auditors



Zara Investment Holding Company  
Public Shareholding Company





**Sabih Taher Darwish Masri**  
Chairman of the Board of Directors



## Chairman Message to the Shareholders

### Esteemed Ladies and Gentlemen,

Welcome to the 30th annual meeting of the ordinary general assembly of the shareholders of Zara Investment (Holding) Company which shows the Company's activities and achievements in 2023 and its consolidated financial statements for the year 2023, as well as its outlook and plans for 2024.

The tourism sector has been significantly affected by the ongoing war in the Gaza Strip in the last quarter of 2023, as many embassies of European and Western countries warned their nationals to avoid visiting the neighboring countries and therefore revenues have dropped due to cancellations of bookings, especially in Petra and Dead Sea hotels, followed by Aqaba resorts, and in to a certain extend the hotels in Amman for tourist groups, meetings and exhibitions. The drop in operating revenues for the fourth quarter amounted to about JD 8.3 million. In light of this, Zara has prepared a profit protection plan by taking necessary measures to cut costs to the minimum.

In light of the current situation and given the lack of indications of possible solutions to the crisis in the near term, Zara will continue to strengthen profit protection plans for all of its hotels and accordingly a preliminary budget for 2024 was prepared, with the final budget to be submitted during April 2024 based on the latest updates.

As for 2023, the consolidated operating revenues for 2023 increased by 10% to reach JD 71.9 million compared to JD 65.2 million for 2022, which led to an increase in net operating revenues by 11% to reach JD 17.1 million for 2023 compared to JD 15.4 million for 2022. The net results for 2023 also improved by 60% to reach JD 5.8 million profit compared to JD 3.6 million profit for 2022. The profit was due to the recovery of domestic and foreign tourism compared to the previous year. Total comprehensive income improved by 123% to reach a profit of JD 5.7 million for 2023 compared to a profit of JD 2.6 million for 2022. The performance of five-star hotels in Jordan during 2023 indicates an increase of 8% in terms of revenue from the previous year to reach JD 330 million compared to JD 306 million for 2022 and an increase in operating profit by 11% to reach JD 91 million compared to JD 82 million for 2022.

Zara is one of the top investment companies in the hospitality sector and it has maintained its distinguished market position in Jordan and share of the 5-star room inventory in Jordan. Zara owns seven luxury 5-star hotels with strategic locations in Amman, Dead Sea, Petra, and Aqaba with a combined total of 2,131 rooms. Employment in the 5-star hotels segment in Jordan reached 11,364 persons in 2023 of which Zara employs approximately 18.5%, while employment in the hospitality sector reached 57,969 in 2023 of which Zara employs approximately 3.8%. It also maintained its commitment to upholding the highest standards in submitting services, safety and quality.

In 2023, Zara facilities maintained their excellence. Movenpick Petra Hotel ranked first, Jordan Intercontinental Hotel, Movenpick Talabay and Movenpick Dead Sea hotels ranked second – each in its geographical area – in terms of revenue, Movenpick Dead Sea and Movenpick Talabay hotels ranked second and Movenpick Petra Hotel ranked first in terms of operating profits, and prominent travel websites on global networks and world famous travel organizations continued to praise the hotels of visit it as one of the best local hotels.

One of the most important strategies of Zara is to promote the concept of long-term investment through the implementation of new projects and / or modernization and development of existing ones in order to raise the level of service provided in the company's hotels and improve the infrastructure. The company has developed a 5 year plan to modernize its facilities at an approximate cost of JD 35 million over the next 3-5 years in order to keep the company's hotels at the forefront of five-star hotels in the Kingdom, as well as the completion and start of new projects in the Jordan Himmeh Mineral Area and the Aqaba Special Economic authority area, respectively.

As you know, the eco-hotel project of the Jordan Himmeh mineral Company was embarked at the end of 2020, the first phase of the project was completed at a cost of JD 3.7 million. This project is considered one of the leading projects in the field of eco-hotels with a total cost ranging from 8.5 to 9.5 million dinars. The second phase, which includes finishing works and electromechanical works, is expected to be completed by the end of 2027. In order



to enable the company to complete the project through internal financing, during the year 2023, the company's authorized capital has been increased from JD 2 million to JD 9 million, and subscribed and paid-up capital has been increased by JD 5,452,202 to reach JD 7,452,202 / share, with the unsubscribed shares to be covered no later than 18/4/2026.

In 2023, the management continued to improve the efficiency of its asset management by quickly determining the required modernization of its facilities through rapid response to emergency variables. The company is still working on replacing traditional energy sources with clean, renewable and more efficient ones in all its facilities. The electric power generation system has been powered by solar cells (photovoltaics), which covers 50% of the monthly electricity needs of the company's hotels throughout the kingdom. The company has also implemented plans to protect the environment and sustain operations by replacing traditional lighting with energy-saving lighting (LED), using environmentally friendly liquefied gas and solar energy instead of diesel fuel to heat water, as well as paper recycling and the use of electric heating pumps.

Zara cash flows from operating activities during the years 2020 and 2021 due to the repercussions of the corona pandemic, which prompted to take advantage of loans backed by the Central Bank of Jordan and the Social Security Corporation to meet its short-term obligations. The balance of loans from the Social Security Corporation reached JD 5.1 million, while the balance of loans backed by the Central Bank reached JD 11.4 million as at the end of 2023, totaling JD 16.5 million. The reason for borrowing was due to the implementation of Defense Orders related to the payment of salaries and benefits of all employees and all operating expenses, despite significant decrease in revenues compared to pre-pandemic. During 2023, Zara hotels managed to repay JD 1.3 million out of JD 6.5 million of Social Security Corporation loans, and Zara Company managed to repay JD 1.2 million of CBJ loans during the current year 2024, a total of JD 2.2 million will be repaid from the balance of Social Security Corporation loans and JD 3.1 million from the balance of Central Bank loans.

In 2023, Zara wrote off the whole balance of accumulated losses as on 31/12/2022, amounting to JD 12.2 million, which accumulated during the corona pandemic, using the balance of statutory and voluntary reserves in the amount of JD 7.2 million, and reducing the paid - in capital by JD 5 million. This action resulted in reducing the paid - in capital from JD 150 million / share to JD 145 million / share, with statutory Reserve to be rebuilt in accordance with the provisions of Paragraph (A) of Article (186) of Companies Law. Zara turned to this option in order to be able to distribute profits to shareholders in the future.

Zara has also supported many civil society organizations, municipalities, charitable associations and clubs, such as active participation in local community development by engaging in activities to enhance livelihoods and environmental awareness to serve and develop local communities.

Zara outlook remains positive for 2024, however, Zara will continue to preserve what has been achieved and to build on it as moving forward to ensure profitable growth and returns. Zara will work towards continuing to set the benchmark in the way welcoming and serving the guests. To achieve this, Zara will continue to reengineer and improve the business models to ensure excellence through better management of operations of Zara.

On behalf of the board of directors, I would like to thank all Zara 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 and well qualified 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





GRAND | HYATT

Grand Hyatt Amman



# Board of Directors' Report 2023

## Overview

### Ladies and gentlemen

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### Hotel industry key indicators for 2023 compared to 2022

Sector Indicators	Year 2023	Year 2022	Variance %
Number of overnight visitors	5,345	4,177	28%
Tourism income (million JD)	4,894	4,093	20%
Average length of stay (night)	1.76	1.76	-
Number of classified hotels	323	290	11%
Number of hotel rooms	25,705	23,667	9%
Number of beds	41,538	38,196	9%
Number of employees	57,969	54,764	6%

Source: Ministry of Tourism and Antiquities

### 5-star hotel key indicators for 2023 compared to 2022:

Sector Indicators	Year 2023	Year 2022	Variance %
Number of 5-star hotels	42	41	2%
Number of 5-star hotel rooms	9,674	9,441	2%
Number of hotel rooms owned by Zara	2,131	2,131	-
Rooms owned by Zara - % of total	22%	22.6%	(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	145,000,000	Hotel, tourism and general investments	Amman	27



**Capital Investment**

**JD 210.5 million which represents consolidated total assets**







## 2. (B) Subsidiaries

Subsidiary	Paid up Capital/JD	Main Activity	HQ	Shareholding %	Number of Employees
Jordan Hotels and Tourism Company PSC	10,000,000	Owner of Hotel InterContinental Jordan	Amman	51.6%	419
Jordan Himmeh Mineral Company PSC	7,452,202	Owner of Jordan Himmeh Resort – Mukhaibeh	Amman	94%	6
Nabatean Hotels Company LLC	3,300,000	Owner of Mövenpick Nabatean Castle Hotel and Mövenpick Resort Petra	Amman	100%	274
Amman Tourism Investment Company LLC	16,500,000	Owner of Grand Hyatt Amman Hotel, Hyatt Tower, and Zara Center	Amman	100%	313
Rum Hotels and Tourism Company LLC	700,000	Owner of tourism project Tybeh – Petra, owner of 66 donums	Amman	82.1%	-
Oasis Hotels Company LLC	1,600,000	Owner of tourism project – Dead Sea, owner of 34 donums	Amman	92.2%	-
National Hotels and Tourism Company LLC	15,000,000	Owner of Mövenpick Resort & Spa Dead Sea	Amman	100%	480
Jordan Hotel Supplies Trading Company LLC	330,000	Owner of Souk Zara gift boutiques	Amman	100%	19
Red Sea Hotels Company LLC	17,000,000	Owner of Mövenpick Resort & Residences Aqaba	Aqaba	100%	255
South Coast Real Estate Development Company LLC	10,050,000	Real estate development – Aqaba South Coast (Ras Yamaniya) owner of 370 donum	Aqaba	82%	-
South Coast Hotels Company LLC	4,800,000	Real estate development – Aqaba South Coast (Ras Yammaniya) owner of 82 donum	Aqaba	82%	-
Zara South Coast Development Company LLC	39,425,503	Owner of Mövenpick Resort & Spa Tala Bay Aqaba	Aqaba	84.8%	282
Zara Agricultural Services and Marketing LLC	61,000	Maintenance of agricultural sites	Aqaba	100%	24
Al-Himmeh Solar Power Company	24,000	Owner of photovoltaic facilities	Amman	93.6%	-
<b>Total number of employees</b>					<b>2,099</b>

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





Grand Hyatt - Lombard Restaurant







### 3. (A) Names of members of the board with brief introduction

Name	Representative	Position	Joined	Representative appointed on	DOB
Sabih Taher Darwish Masri	-	Chairman	1999	-	02/12/1937
Khaled Sabih Taher Masri	-	Vice Chairman	1994	-	19/2/1966
Al-Masira Investment Company	Kamil Abdel-Rahman Ibrahim Sadeddin	Member	1994	14/2/2004	26/7/1951
Libyan Foreign Investments Company	Mohamed Ibrahim Ali Bin Ismail	Member from 4/7/2023	2000	4/7/2023	10/10/1985
Libyan Foreign Investments Company	Ezzeddin Mohamed M Elghoul	Member till 3/7/2023	2000	21/9/2021	4/8/1977
Fahad Bin Abdel-Rahman Bin Ali Al-Turki	-	Member	2020	-	16/9/1980
Social Security Corporation	Radi Shehadeh Hasan AlQudah	Member from 1/10/2023	2000	1/10/2023	1/3/1965
Social Security Corporation	Buthayna M. M. Mahadeen	Member till 30/9/2023	2000	24/5/2022	31/8/1968
Rama Investment & Saving Company	Suleiman Zayed Ali Al-N'eimat	Member from 1/4/2023	2015	1/4/2023	1/1/1971
	Suzan Samir Hasan Mustafa	Member till 31/3/2023	2015	9/3/2023	16/9/1979
	Mahmoud Suleiman Al-Maaytah	Member till 1/3/2023	2015	7/8/2019	6/6/1958
Nasser Awwad Mohammad Al-khaldi	-	Member	2018	-	21/10/1966



Degree	Graduation Date	Profession	Memberships
B.A. Chemical Engineering	1963	Businessman	<ul style="list-style-type: none"> <li>Arab Bank / Chairman</li> </ul>
M.B.A. Business Administration	1989	Businessman	<ul style="list-style-type: none"> <li>Jordan Hotels and Tourism Company</li> <li>Jordan Himmeh Mineral Company</li> <li>Arab Bank / Chairman</li> </ul>
High Diploma Civil Engineering	1975	Vice President Arab Supply & Trading Corp. (Astra Group)	<ul style="list-style-type: none"> <li>Astra Industrial Group (Saudi Arabia)</li> <li>Jordan Hotels and Tourism Company</li> </ul>
High Diploma Accounting, Programming and Systems Analysis	2005	-	-
High Diploma Diplomatic Studies	2009	Head of Litigation Section Libya Africa Investment Portfolio till 9/2021	-
B.A. Communications	2007	Executive Vice Chairman A. A. TURKI GROUP (ATCO)	<ul style="list-style-type: none"> <li>ALSagr Cooperative Insurance Company / Chairman</li> <li>Honeywell Turki Arabia Ltd.</li> <li>Bahrain Specialist Hospital</li> <li>Golden Pyramids Plaza Company</li> </ul>
M.A. Business Administration	2010	Social Insurance Consultant- Social Security Corporation	-
M.A. Business Administration	2015	Head of Quality Control Committee	-
PhD Business Administration- Quality Management	2014	- Jordanian Customs Consultant	-
-	-	-	-
-	-	-President of General Trade Union of Road Transport Workers	<ul style="list-style-type: none"> <li>World's Road Transport Organization/ London</li> </ul>
B.A. Electrical Engineering	1989	CEO Dead Sea Touristic & Real Estate Investment Company Till 6/2018	<ul style="list-style-type: none"> <li>Jordan Hotels and Tourism Company</li> <li>Jordan Trade Facilities Company</li> <li>Irbid Electricity Company</li> </ul>





B.A. Economics	1994	Businessman	<ul style="list-style-type: none"><li>• Jordan Hotels and Tourism Company / Vice Chairman</li><li>• Jordan Himmeh Mineral Company / Chairman</li><li>• Cairo Amman Bank</li><li>• Jordan Electricity Company</li></ul>
B.A. Economics	1967	Businessman	<ul style="list-style-type: none"><li>• Bank Al-Etihad / Chairman</li><li>• Jordan Hotels and Tourism Company / Chairman</li></ul>
M.A. Finance	1985	Financial Consultant	<ul style="list-style-type: none"><li>• Jordan Hotels and Tourism Company</li><li>• Offtec Holding Group</li></ul>
B.A. Business Administration	1976	Businessman	<ul style="list-style-type: none"><li>• Cairo Amman Bank / Chairman</li><li>• Middle East Insurance Company</li><li>• Palestine Development and Investment Company</li></ul>
B.A. Management of Electrical Engineering	1982	Former Minister of labor and a former Senator	<ul style="list-style-type: none"><li>• Irbid Electricity Company / Chairman</li><li>• MedGulf Insurance Company / Vice Chairman</li><li>• Societe Generale Jordan</li><li>• Generations for Peace (NGO)</li></ul>









### 3. (B) Names and positions of senior executive management with brief introduction:

Name	Position	Date of Appointment	DOB	Degree	Graduation Date	Professional Experience
Yassin Khalil "Mohammad Yassin" Talhouni	General Manager	1/6/2016	8/5/1973	B.A. Economics	1994	<ul style="list-style-type: none"> <li>Jordan Hotels and Tourism Company / Vice Chairman</li> <li>Jordan Himmeh Mineral Company</li> <li>Jordan Electricity Company</li> <li>Cairo Amman Bank</li> </ul>
Ahmad Ibrahim Mohammad Jamjoum	Chief Financial Officer	1/11/2008	16/11/1964	- M.A. Accounting Systems and Auditing, University of Georgia, Athens, USA - CPA American Institute of Certified Public Accountants	1991	<ul style="list-style-type: none"> <li>Held several financial and consulting positions with various leading local and regional corporations</li> <li>Board member at Jordan Himmeh Mineral Company</li> <li>Board member at Jordan Express Tourist Transport Company (JETT)</li> </ul>
Haitham "Mohammad Nazih" Nureddin Hanbali	Director Finance	7/1/2007	31/7/1969	- M.A. Banking and Finance, Institute of Banking Studies - CPA American Institute of Certified Public Accountants	2013	<ul style="list-style-type: none"> <li>Held several financial consulting and auditing positions at local and regional consulting firms</li> </ul>

### 4. Major shareholders and number of shares held compared with 2022:

Name	No. of Shares as of 31/12/2023	Percentage %	No. of Shares as of 31/12/2022	Percentage %
Al-Masira Investment Company	19,662,437	13.56%	20,340,453	13.56%
Libyan Foreign Investments Company	18,888,214	13.03%	19,539,532	13.03%
Social Security Corporation	17,889,370	12.34%	18,506,245	12.34%
Arab Supply and Trading Corporation	12,609,542	8.70%	13,044,354	8.70%
Al-Masira International – Bahrain	14,252,343	9.83%	14,743,804	9.83%
Cairo Amman Bank	9,657,081	6.66%	9,990,084	6.66%
Mohammed Bin Abdel-Rahman Bin Hamad Al-Sheik	5,800,000	4%	6,000,000	4%











## Corporate Competitive Position

### 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 21% market share of the 5-star hotel revenue in Jordan in 2023. Zara market leadership is also manifested in relation to its paid-up and registered capital, and net book value of property and equipment which stand at JD 145 million / share and JD 154.6 million respectively as of 31/12/2023.

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. Zara has changed the brand for Mövenpick Nabatean Castle Hotel to become the Grand Mercure Hotel with the same operator

(ACCOR) which is expected to achieve better revenues to compete with four- and five-star hotels.

In 2023, Zara hotels continued to be distinguished. Mövenpick Resort Petra were ranked number one, Intercontinental Jordan Hotel, Mövenpick Resort & Spa Tala Bay Aqaba and Mövenpick Resort & Spa Dead Sea were ranked number two - in their respective geographical areas- in terms of revenues. Mövenpick Resort & Spa Dead Sea and Mövenpick Resort & Spa Tala Bay Aqaba were ranked number two and Mövenpick Resort Petra was ranked number one in terms of gross operating profits, In addition, Zara 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 around the globe.

### 6. Reliance on specific local or foreign suppliers or major customers

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



## 7. Government protection or privileges enjoyed by the Company

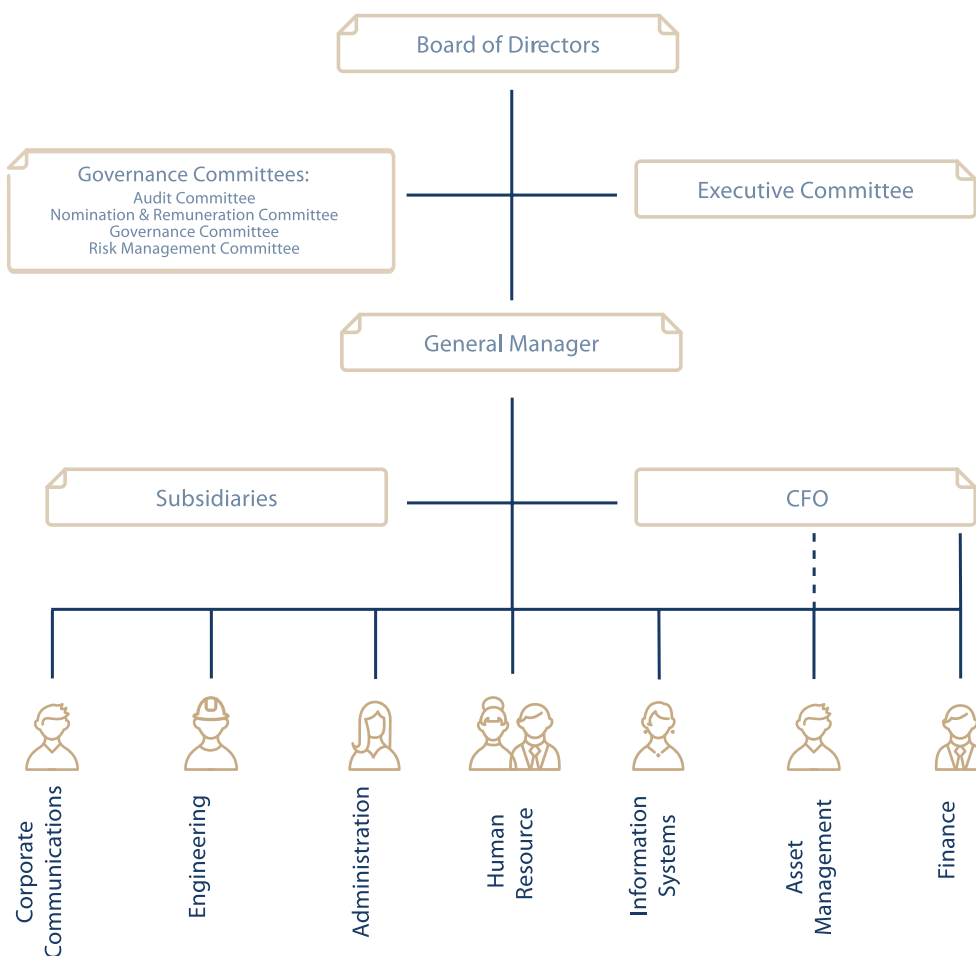
There are no government protection measures, nor privileges enjoyed by the Company or any of its products / subsidiaries in accordance with legal regulations and the company did not obtain any patents or franchises during 2023.

## 8. Government or international organizations measures with material impact on the Company's activities, products, or competitiveness

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

In addition, the Company is committed to implementing international quality assurance standards, e.g., obtaining and renewal of (ISO22000) Food Safety Management System Certificate, Green Globe, and Green Key.

## 9. (A) Organization structure







Grand Hyatt - Lombard Restaurant



## 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	0	3	0	20	1	3	27

Subsidiaries	PhD	Masters	Higher Diploma	Bachelors	Diploma	High School	Total Number of Employees
Jordan Hotels and Tourism Company PSC	0	5	1	106	88	219	419
Jordan Himmeh Mineral Company PSC	0	0	0	0	0	6	6
Nabatean Hotels Company LLC	0	3	0	31	17	223	274
Amman Tourism Investment Company LLC	0	1	0	60	44	208	313
Rum Hotels and Tourism Company LLC	0	0	0	0	0	0	0
Oasis Hotels Company LLC	0	0	0	0	0	0	0
National Hotels and Tourism Company LLC	0	5	0	83	58	334	480
Jordan Hotel Supplies Trading Company LLC	0	0	0	9	2	8	19
Red Sea Hotels Company LLC	0	1	1	27	38	189	255
Zara Agricultural Company LLC (Under Liquidation)	0	0	0	0	0	0	0
South Coast Real Estate Development Company LLC	0	0	0	0	0	0	0
South Coast Hotels Company LLC	0	0	0	0	0	0	0
Zara South Coast Development Company LLC	0	2	0	29	49	202	282
Zara Agricultural Services and Marketing Company LLC	0	0	0	0	0	24	24
Himmeh Solar Power Company LLC	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>19</b>	<b>2</b>	<b>365</b>	<b>297</b>	<b>1,416</b>	<b>2,099</b>





## 10. (C) Qualification and training programs for Company employees:

Course Description	Number of Employees	Course Description	Number of Employees
Risk Management	240	Blood Borne Pathogens	97
Firefighting and Evacuation	278	First aid and CPR training	542
Accor Values (6)	545	Privacy and Information Security	905
Accor – INES - Typsy	67	Code of Business Conduct	861
Essential Safety	110	Soft/ Communications Skills	544
Product Knowledge	175	Discovery Program – Brand immersion program	226
Energy Saving Campaign	153	Green Key for Energy Conservation and Environmental Training	629
Hard Rock Campaign	163	Making the most my Performance Review	497
Firefighting and Control Panel awareness	166	Conflict of Interest Disclosure	263
Creating Connections	546	Special Situations Management	55
Agility in the workplace	39	Computer Skills and Secretarial Programs in Arabic/English	39
Elevator Safety Precaution	20	Data Privacy	770
Digital Marketing & Media Communications Workshop	6	Financial Statements Awareness	5
Revenue Management Training in Sales & Reservation Program	10	Security Awareness and Basic Safety Procedures	796
Food Photography Workshop	2	Internal Cross Training	95
Lessons in Management Leadership	55	Technical Training Skills	435
Complaint Handling- Restoring the Trust-Employees	498	E-Learning Training System MHR / Accor	673
Key Essentials of Personal Hygiene & Food Safety	680	Off Job and On Job Training Skills	335
My Learning Tool	545	Internship for students – Royal Academy /VTC	40
New Managers Development Core Skills	77	Housekeeping Management	43
Hiring and Welcoming New Employees program (Orientation)	478	Wine Knowledge and Service	155
Quality Service Standards	788	Human Resources Workshop	3
Departmental Trainers Workshop	80	Handling Guest Request	583
Purpose and Brand Workshop	371	Pulse Awareness Session	636
4 Corner Stones and Brand Promise	143	F&B Selling Techniques	56
<b>Total</b>			<b>15,518</b>

## 10. Risks

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







# Company's Achievements

## 11. Company's achievements in 2023:

### 1. Zara Investment (Holding) Company:

- Continued the renovation for all Hotels Facilities.
- Continued to develop the technological and electronic systems to Keep up with the latest developments.
- Continued to apply the performance monitoring standards and immediate modification of implementation plans to ensure the efficiency and effectiveness of the operational processes.
- Improve the operational performance of hotels with a thorough following up by Asset Management Department.
- Reduced Zara paid-in capital from JD 150 million/share to JD 145 million/share to write off the accumulated losses as of 31/12/2022 to enable the company to distribute dividends to shareholders in the future.
- Started a plan to protect profits in the 4th quarter of 2023, focusing mainly on reducing salary expenses, reducing energy expenses, and reducing maintenance contracts by 50% until the situations getting better.
- Prepared an initial, non-final budget due to the exceptional circumstances of Gaza Crisis, noting that a final budget will be approved at the beginning of the 2nd quarter of 2024, focusing on reducing expenses essentially.
- Active involvement in the local community development by engaging in activities promoting livelihood and environmental awareness and develop local communities.
- Distributed Ramadan Parcels and donate to the effective charities such as (Iraq Al-Amir Women's Association, the Vocational Training Corporation, and Jordan Strategy Forum and The Jordan Trail).

### 2. Jordan Hotels and Tourism Company, Owner of Hotel InterContinental Jordan (HIJ):

- Renovated Hotel Facilities such as )Management offices, CCTV Room, Moving of the operator and the service room, BAH terrace tent, 63 Lounge furniture, Outdoor swimming pool, Firefighting pipes and switches for meeting rooms and Building (D) guest rooms).Installed FM200 for main electrical database and for BAPX power supply room.

- Prepared an initial, non-final budget due to the exceptional circumstances of Gaza Crisis, noting that a final budget will be approved at the beginning of the 2nd quarter of 2024, focusing on reducing expenses essentially.
- Implemented IHG Connect project.
- Supply new equipment for (Building (D) rooms and bathrooms, House Keeping and F&B dep.).

### 3. Jordan Himmeh Mineral Company, owner of the Environmental Hostel Project – Irbid:

- Embarked on an eco- resort, the first phase of the project was completed with total cost of JD 3,7 million. This project is considered one of the leading projects in the field of environmental hotels, with a total estimated cost of JD 8.5 - 9.5 Million. The second phase, which includes finishing and electromechanical works, is expected to be completed by the end of 2027. In order to enable the company to complete the project by internal funding, during 2023 the company increased its authorized capital from JD 2 million to became JD 9 million. The unsubscribed shares will be covered no later than 4/18/2026, so that the subscribed, paid-up and authorized capital will reach JD 9 million.
- Prepared an initial, non-final budget due to the exceptional circumstances of Gaza Crisis, noting that a final budget will be approved at the beginning of the 2nd quarter of 2024, focusing on reducing expenses essentially.



#### 4. Nabatean Hotels Company, Owner of Mövenpick Nabatean Castle Hotel and Mövenpick Resort Petra:

- Renovate Hotel Facilities such as (new ventilation system for staff cafeteria, guest rooms new wallpaper and rugs, new interlock for the main entrance, bathrooms phones in the guest rooms and emergency phones in the corridors).
- Install a new eco-friendly central chiller instead of the old one.
- Prepare an initial, non-final budget due to the exceptional circumstances of Gaza Crisis, noting that a final budget will be approved at the beginning of the 2nd quarter of 2024, focusing on reducing expenses essentially.
- Renew ISO22000 Food Safety Management System certificate from the World Accreditation Agency and the Green Key certificate.
- Obtain certifications for Green Globe and the Gold award.
- Improve Safety and Security standards in the hotel.
- Host various activities to develop the local community by establishing a forest garden in cooperation with the Petra Agriculture Directorate.
- Host press and bloggers' trips in addition to social media activists and influencers from all over the world.
- Support the Disabled Association for the Deaf and Mute in Petra.
- Organize donation campaigns for local charities and school opening season.

#### 5. Amman Tourism Investment Company, Owner of Grand Hyatt Amman Hotel (GHA), Hyatt Tower and Zara Center:

- Renovate Hotel Facilities such as (Hotel Entrance floor, VIP entrance to Lombard Restaurant, Terrace Furniture, install new smart TVs for guest rooms).
- Upgrade the CCTV system to an IP system with new high resolution cameras.
- Prepare an initial, non-final budget due to the exceptional circumstances of Gaza Crisis, noting that a final budget will be approved at the beginning of the 2nd quarter of 2024, focusing on reducing expenses essentially.
- Improve the hotel rank on TripAdvisor for Lombard Restaurant and host various successful events in it.
- Improve and increase the number of the followers on social media.

- Improve the hotel net profit which reflecting improved performance and efficiency.
- Achieve the goal of the RiseHy class – for young people.
- Implement various initiatives in line with our commitment to sustainability and social responsibility to achieve a positive impact on the environment, the community, our carbon footprint, and the opportunities available to our guests.
- Implement some measures to reduce electricity consumption.
- Improve the hotel classification on TripAdvisor for Rank #8 to provide high-quality services.
- Obtain the best guests service scores on HySat scale.
- Active national and religious events such sponsoring Al Mahabba Committee Christmas Village.
- Continue the collaboration with Jordan food Bank and Jordan Clothes Bank to collect clothes and toys for the poor families.
- Cooperate with the SANA organization to employ individuals with mental disabilities and with the Vocational Training Center to provide training and employment opportunities for less fortunate students.
- Host guests at the hotel ballroom including the Royal Family and VIPs such as His Royal Highness Prince Hussein bin Abdullah II, Crown Prince, during the Cybersecurity Summit, and providing external hospitality services for the pre-wedding dinner party of the son of Her Royal Highness, Princess Sumaya bint Al Hassan.
- Host a range of awareness sessions for hotel staff such as breast cancer awareness, prostate cancer awareness and smoking cessation programs for all employees.
- Host large groups of tourism and travel companies from inside and outside Jordan.

#### 6. National Hotels and Tourism Company, Owner of Mövenpick Resort and Spa Dead Sea:

- Renovate Hotel Facilities such as (back of the house offices, male staff accommodation, improve the new beach, pastry kitchen equipment, Summer Pool, installing the Shades).
- Move the female staff accommodation to a rented villas in Samarah Resort.
- Prepare an initial, non-final budget due to the exceptional circumstances of Gaza Crisis, noting that a final budget will be approved at the beginning of the 2nd quarter of 2024, focusing on reducing expenses essentially.



- Renew ISO22000 Food Safety Management System certificate from the World Accreditation Agency and Green Globe certificate – the Green Land.
- Replace all analogue cameras with IPTV cameras, and all administration office switches with the latest technology from Aruba and all Philips TVs with LG TVs.
- Improve the hotel's website ranking on Booking.com from 8.2 to 8.4 and improve guest satisfaction from 88% to 91.2%.
- Increase the market share of the revenue indicator from 87.4 to 112.4.
- Redesign Zara Spa logo and reopen the Asian restaurant with the Indonesian chef.
- Host Ramadan iftar for the Jordanian Thalassemia Patients Association and Prince Ali bin Al Hussein Club for the Deaf and Mute.
- Host an appreciation ceremony for tourism and travel agents in March.
- Participate in social responsibility initiatives such as "Kilo of Kindness", "Collect clothes for poor people".

#### **7. Red Sea Hotels Company, Owner of Mövenpick Resort and Residences Aqaba:**

- Renovate Hotel Facilities such as (Guest Rooms, kitchen renovation).
- Prepare an initial, non-final budget due to the exceptional circumstances of Gaza Crisis, noting that a final budget will be approved at the beginning of the 2nd quarter of 2024, focusing on reducing expenses essentially.
- Renew ISO22000 Food Safety Management System certificate from the World Accreditation Agency.
- Won awards for Blue Flag, Green Key, and Green Globe from The Royal Marine conservation Society (JREDS).
- Won the best place to work for women award.
- Upgrade safety and security around the hotel.
- Replace chillers and elevators with energy saving equipment.

- Participated in social and environmental responsibility initiatives such as "Distribute Ramadan Parcels for Tkiyet Um Ali", "Kilo of Kindness for donating clothes, supplies, and toys", "Blood donation with the Blood Bank and the Ministry of Health", "Clean the World Campaign from REDS – South Beach Cleaning," and "Bernaches Award", "Orient Spirit Sponsorship for creative talents from Special Needs", "Edama Project Agreement to Provide Raw Materials for the Composting Plant", and "Tree Planting Day".
- Participated in the 5th meeting of WEPS Jordan (Exploitation, Harassment and Sexual Assault).

#### **8. Zara South Coast Development Company, Owner of Mövenpick Resort and Spa Tala Bay Aqaba:**

- Replace the old chillers with energy saving chillers.
- Prepare an initial, non-final budget due to the exceptional circumstances of Gaza Crisis, noting that a final budget will be approved at the beginning of the 2nd quarter of 2024, focusing on reducing expenses essentially.
- Renew ISO 22000 Food Safety Management System certificate from the World Accreditation Agency.
- Won awards for Blue Flag, Green Key, and Green Globe from The Royal Marine conservation Society (JREDS).
- Won the best place to work for women award.
- Host the Jordanian National Chess Championship, which was held on the occasion of Independence Day.
- Participated in social and environmental responsibility initiatives such as "Distribute Ramadan Parcels for Tkiyet Um Ali", "Kilo of Kindness for donating clothes, supplies, and toys", "Blood donation with the Blood Bank and the Ministry of Health", "Clean the World Campaign from REDS – South Beach Cleaning," and "Bernaches Award", "Orient Spirit Sponsorship for creative talents from Special Needs", "Edama Project Agreement to Provide Raw Materials for the Composting Plant", and "Tree Planting Day".
- Participated in the 5th meeting of WEPS Jordan (Exploitation, Harassment and Sexual Assault).







## 12. Financial impact of non-recurring transactions occurred during the fiscal year but do not fall within the main activities of the Company

There is no financial impact of non-recurring transactions occurred during the fiscal year but 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 2019 through 2023

	2023	2022	2021	2020	2019
(Loss) Profit realized	5,405,693	3,630,713	(6,127,622)	(14,102,860)	5,915,732
Dividends	-	-	-	-	3,000,000
Equity attributable to Company shareholders	149,413,058	143,898,963	141,260,237	147,367,818	167,991,457
Share price JD	0.51	0.45	0.42	0.41	0.61

## 14. Analysis of Company's financial position and results of operations during fiscal years 2023 and 2022

No.	Description	2023%	2022%
1	Return on Investments	2.72	1.76
2	Return on Equity	3.40	2.24
3	Return on Paid-in Capital	3.94	2.42
4	Profit Margin	7.95	5.57
5	Earnings Before Tax (EBT) to Operating Revenues	9.15	6.93
6	Ownership Ratio	79.78	78.69
7	Equity to Loans	1059.96	1061.39
8	Loans to Assets	7.53	7.41
9	Property & Equipment to Equity	91.84	97.00
10	Current Liability to Assets	8.34	7.73
11	Liabilities to Assets	20.22	21.31
12	Liabilities to Equity	25.34	27.08
13	Current Liabilities to Equity	10.45	9.82
14	Long-Term Loans to Equity	8.07	8.75
15	Operating Revenues to Equity	42.80	40.21
16	Operating Revenues to Assets	34.15	31.64
17	Current Ratio	243.09	218.93



Following are the key indicators of the Company's hotels for 2023 compared to 2022:

Hotel	Number of Rooms	Occupancy %		Average Room Rate (JD)		Operating Revenues (JD)	
		2023	2022	2023	2022	2023	2022
Hotel InterContinental Jordan	450	48	41	100	101	14,843,101	13,618,247
Grand Hyatt Amman	316	49	44	86	83	9,440,669	8,962,526
Hyatt Tower	90	61	60	135	136	1,240,054	1,226,038
Mövenpick Resort & Spa Dead Sea	362	60	55	102	97	14,719,290	12,502,894
Mövenpick Resort & Residence Aqaba	332	52	50	96	95	7,928,873	7,431,253
Mövenpick Resort Petra	183	62	64	168	142	10,699,910	9,317,979
Mövenpick Nabatean Castle Petra	92	56	28	87	84	2,281,670	1,108,255
Mövenpick Resort & Spa Tala Bay Aqaba	306	48	48	125	125	9,380,743	9,899,620
<b>Total</b>	<b>2,131</b>	<b>53</b>	<b>50</b>	<b>112</b>	<b>108</b>	<b>70,534,310</b>	<b>64,066,812</b>

1. The consolidated statement of financial position indicates that total assets as of 31/12/2023 totaled JD 210,526,081 compared with JD 206,142,028 as of 31/12/2022 representing an increase of 2.1%.
2. The equity attributable to shareholders of the Company as of 31/12/2023 totaled JD 149,413,058 compared with JD 143,898,963 as of 31/12/2022 representing an increase of 3.8%.
3. The consolidated statement of profit or loss indicates that operating revenues for 2023 totaled JD 71,893,217 compared with JD 65,238,232 for 2022 representing an increase of 10%.
4. The consolidated expenses including depreciation, finance costs, and administration expenses for 2023 totaled JD 12,291,273 compared with JD 12,378,162 for 2022 representing a decrease of 0.7%.
5. The consolidated profit attributable to the shareholders of the Company for 2023 totaled JD 5,399,482 compared with JD 5,405,693 for 2022 representing an increase of 49%.









## Company's Outlook

### 15. Company's outlook and plans for 2024

- 1- We will continue to update hotels' facilities and equipment to maintain the competitive edge with the global operators.
- 2- We will continue to enhance our valuable guests' trust in our facilities and services.
- 3- We will continue to repay Social Security Corporation and Central Bank of Jordan loans.
- 4- We will continue to support various initiatives related to environmental preservation and social responsibility.
- 5- We will continue to develop human resources and operational data base.
- 6- The Company starts a plan to protect profits in the 4th quarter of 2023, focusing mainly on reducing salary expenses, reducing energy expenses, and reducing maintenance contracts by 50% until the situations getting better.
- 7- Company prepare an initial, non-final budget due to the exceptional circumstances of Gaza Crisis, noting that a final budget will be approved at the beginning of the 2nd quarter of 2024, focusing on reducing expenses essentially.
- 8- Promote the spirit of innovation and create new ideas that would give preference of competition with other operators.
- 9- We will continue to focus on self-financing for renovation and completion of the current projects.
- 10- We will continue to follow up the operations to improve performance.
- 11- We will continue to focus and support the hotels marketing plan, sales strategy and rooms revenues to increase the total number of rooms booked throughout the year.
- 12- We will continue to train and develop our team to ensure the highest standards of service and quality.
- 13- We will continue to modify the way we manage the business in line with the changes in the tourism labor markets.
- 14- We will continue to serve and improve the community in the places of our company operations.
- 15- We will continue to diversify tour offering in packages to enhance attraction.
- 16- We will continue to support the returns of the employees in the line with the changes of high cost of living.
- 17- Postpone the implementation of the Ras al-Yamaniyah project until the conditions improve.



**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	15,090
Jordan Hotels and Tourism Company PSC	23,433
Jordan Himmeh Mineral Company PSC	1,288
Nabatean Hotels Company LLC	19,570
Amman Tourism Investment Company LLC	18,540
Rum Hotels and Tourism Company LLC	1,288
Oasis Hotels Company LLC	1,288
National Hotels and Tourism Company LLC	17,510
Jordan Hotel Supplies Trading Company LLC	2,936
Red Sea Hotels Company LLC	14,935
South Coast Real Estate Development Company LLC	1,288
South Coast Hotels Company LLC	1,288
Zara South Coast Development Company LLC	14,935
Zara Agricultural Services and Marketing Company LLC	1,288
Himmeh Solar Power Company	1,288
<b>Total</b>	<b>135,965</b>











## 17. (A) Number of shares held by members of the board

Name	Position	Nationality
Sabih Taher Darwish Masri	Chairman	Jordanian
Khaled Sabih Taher Masri	Vice Chairman	Jordanian
Al-Masira Investment Company, represented by Kamil Abdel-Rahman Ibrahim Sadeddin	Member	Jordanian Jordanian
Libyan Foreign Investments Company, represented by Mohamed Ibrahim Ali Ben Ismail from 4/7/2023	Member	Libyan Libyan
Ezzeddin Mohamed M Elghoul Till 3/7/2023		Libyan
Fahad Bin Abdel-Rahman Bin Ali Al-Turki	Member	Saudi
Social Security Corporation, represented by Radi Shehadeh Hasan AlQudah from 1/10/2023	Member	Jordanian Jordanian
Buthayna M. M. Mahadeen till 30/9/2023		Jordanian



Number of shares as of	Number of shares as of	Controlled companies	Number of shares held by controlled companies as of	
			31/12/2023	31/12/2022
10,010	10,000	<ul style="list-style-type: none"> <li>Arab Supply and Trading Co.</li> <li>Astra Investment Co.</li> <li>Al-Masira Investment Co.</li> <li>Al-Masira International-Bahrain</li> </ul>	12,609,542 11,600 19,662,437 14,252,343	13,044,354 12,000 20,340,453 14,743,804
10,010	10,000	<ul style="list-style-type: none"> <li>Arab Supply and Trading Co.</li> <li>Astra Investment Co.</li> <li>Al-Masira Investment Co.</li> <li>Al-Masira International-Bahrain</li> </ul>	12,609,542 11,600 19,662,437 14,252,343	13,044,354 12,000 20,340,453 14,743,804
19,662,437 -	20,340,453 -	None None	None None	None None
18,888,214 -	19,539,532 -	None None	None None	None None
-	-	None	None	None
1,278,416	1,322,500	None	None	None
17,889,370 -	18,506,245 -	None None	None None	None None
-	-	None	None	None



Rama Investment and Saving Company, represented by Suleiman Zayed Ali Al-N'eimat from 1/4/2023	Member	Jordanian Jordanian
Suzan Samir Hasan Mustafa till 31/3/2023		Jordanian
Mahmoud Suleiman Fares Maaytah till 1/3/2023		Jordanian
Nasser Awwad Mohammad Khaldi	Member	Jordanian
Yassin Khalil "Mohammad Yassin" Talhouni	Member	Jordanian
Bank Al-Etihad, represented by Isam Halim Jeries Salfiti	Member	Jordanian Jordanian
Hilal Omar Mustafa Abu Zeid	Member	Jordanian
Yazid Adnan Mustafa Mufti	Member	Jordanian
Samir Said Abdel-Muti Murad	Member	Jordanian



10,000	10,000	None	None	None
-	-	None	None	None
-	-	None	None	None
10,000	10,000	None	None	None
4,107,289	4,248,920	<ul style="list-style-type: none"><li>• National Development and Supply Co.</li><li>• Levant Investments Co.</li></ul>	200,000 1,462,500	200,000 1,462,500
1,421,218	1,379,874	None	None	None
-	-	None	None	None
10,000	10,000	None	None	None
29,000	30,000	None	None	None
10,000	10,000	None	None	None







## 17. (B) Number of shares held by senior executive management

Name	Position	Nationality	Number of shares as of		Controlled companies	Number of shares held by controlled companies as of	
			31/12/2023	31/12/2022		31/12/2023	31/12/2022
Yassin Khalil "Mohammad Yassin" Talhouni	General Manager	Jordanian	4,107,289	4,248,920	- National Development and Supply Co.	193,333	200,000
					- Levant Investments Co.	1,413,750	1,462,500
Ahmad Ibrahim Mohammad Jamjoum	Chief Financial Officer	Jordanian	-	-	None	-	-
Haitham "Mohammed Nazih" Nureddin Hanbali	Director Finance	Jordanian	-	-	None	-	-

## 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		Controlled companies	Number of shares held by controlled companies as of	
			31/12/2023	31/12/2022		31/12/2023	31/12/2022

Relatives of Sabih Taher Darwish Masri

Serin Sabih Taher Masri	Daughter	Jordanian	2,006,800	2,076,000	None	-	-
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Neither relatives of senior executive management nor the companies under their control have ownership in the company's issued stock for the current and the previous year.



## 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 representing Al-Masira Investment Co.	Member	12,000	-	12,000
Mohamed Ibrahim Ali Bin Ismail - representing Libyan Foreign Investments Co.	Member from 4/7/2023	-	12,061	12,061
Ezzeddin Mohamed M Elghoul - representing Libyan Foreign Investments Co.	Member till 3/7/2023	-	5,692	5,692
Radi Shehadeh Hasan AlQudah - representing Social Security Corporation *	Member from 1/10/2023	3,000	-	3,000
Buthayna M. M. Mahadeen - representing Social Security Corporation *	Member till 30/9/2023	9,000	-	9,000
Hilal Omar Mustafa Abu Zeid	Member	12,000	-	12,000
Fahad Bin Abdel-Rahman Bin Ali Al-Turki	Member	-	-	-
Yassin Khalil "Mohammad Yassin" Talhouni	Member	12,000	-	12,000
Nasser Awwad Mohammad Al-Khalidi	Member	12,000	-	12,000
Isam Halim Jeries Salfiti - representing Bank al Etihad	Member	12,000	-	12,000
Yazid Adnan Mustafa Mufti	Member	12,000	-	12,000
Samir Said Abdel-Muti Murad	Member	12,000	-	12,000
Suleiman Zayed Ali Al-N'eimat - representing Rama Investment and Saving Co. *	Member from 1/4/2023	9,000	-	9,000
Suzan Samir Hasan Mustafa -representing Rama Investment and Saving Co. *	Member till 31/3/2023	1,000	-	1,000
Mahmoud Suleiman Fares Maaytah representing Rama Investment and Saving Co. *	Member till 1/3/2023	2,000	-	2,000
<b>Total</b>		<b>132,000</b>	<b>17,753</b>	<b>149,753</b>

\* The transportation allowances was paid to the member not to the representatives.







## 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	109,200	3,000	27,300	600	136,500
Haitham 'Mohammad Nazih' Nureddin Hanbali	Director Finance	75,000	1,260	-	300	75,000

## 19. Donations paid by the Company and its subsidiaries during the fiscal year

Beneficiary	Amount JD
Jordan Strategy Forum	12,000
Ramadan Packages	6,000
Jordan Trail	5,000
Iraq Al Amir Women's Association	1,200
Vocational Training Corporation	261
Other	950
<b>Total</b>	<b>25,411</b>

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

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

## 21. (A) The Company's contribution towards environmental protection

- Zara is committed to protecting the environment in which it operates. In line with this commitment, 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 (CO<sub>2</sub>), while cutting cost at the same time.



- In 2016 and in an attempt to replace our traditional energy sources with more cost-efficient renewable energy generation sources, we signed an agreement for a solar PV system based on the recently enacted Wheeling Law. Once fully developed in 2018, this PV system is expected to meet 50% - 60% of our current electricity consumption needs while achieving our goals of switching to clean energy and to achieving tremendous cost savings and reducing thermal emissions.

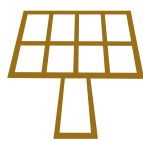
- Other energy saving measures such as switching to energy-saving LEDs have been ongoing for the past several years, during which we have also worked on projects to switch from diesel fuel to the more friendly sources of LPG, solar energy, and paper recycling.

- The environmental protection and operational sustainability plans we initiated in 2009 are ongoing and continue to be implemented to this day. In 2016 we were able to see tangible results on various fronts including monetary savings.

- Some of the results that we achieved include:

1. More efficient use of water resources.
2. Reduction in greenhouse gas emissions with measurable reductions in the emissions of CO<sub>2</sub>.
3. Successful use of alternative sources of friendly energy through partial switch to solar energy in a number of our properties to heat water and pools.
4. The partial substitution of diesel use by environmentally-friendly LPG systems for heating purposes and the use of electric heat pumps.
5. Gradual replacement of old and consumable cooling systems with new energy-saving ones with the latest technical specifications.
6. The certification and recognition of most of our 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.



SWITCHING  
TO PV POWER



REDUCING GREENHOUSE  
GAS EMISSIONS CO<sub>2</sub>



SWITCHING  
TO LED



SWITCHING  
TO LPG



SWITCHING  
TO SOLAR



## 21. (B) Company's contribution in servicing 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 2023 our hotels provided over 50 training opportunities in all fields for the employees from various departments.

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 financing of initiatives that will improve the efficiency of the tourism sector, research and development centers and develop local communities. The company has contributed to help the municipalities, research and charitable societies and sports clubs and distribute Ramadan Parcels and donate to the effective charities such as (Iraq Al Amir Women's Association, the Vocational Training Corporation, and Jordan Strategy Forum and Jordan Trail)

## 22. (C) Corporate Governance 2023:

### A: Compliance with the provisions of the Corporate Governance Regulations for the year 2017 (the "Regulations"):

1. The Company complies with the regulations promulgated by the Jordan Securities Commission, 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 according to the Regulations as follows:

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

- The Nomination and Remuneration Committee consists of 3 non-executives; 1 of them is non-independent, 2 are independent and is chaired by an independent member.

- The Governance Committee consists of 3 non-executives; 1 of them is non-independent, 2 are independent, and is chaired by an independent member.

- The Risk Management Committee consists of 3 non-executives; 1 of them is non-independent, 2 are independent, and is chaired by an independent member.

5. All committees have established 2023 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 the annual and interim financial statements to the concerned authorities, in Arabic and English within the deadlines set by the law.

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

## B: Names, classification and independence of board members and their representatives:

### 1- Board Members:

Ser.	Board Member	Classification	Independency	
1	Sabih Taher Darwish Masri	Natural	Non-Independent	Non-executive
2	Khaled Sabih Taher Masri	Natural	Non-Independent	Non-executive
3	Al-Masira Investment Company	Legal	Non-Independent	-
4	Libyan Foreign Investments Company	Legal	Non-Independent	-
5	Social Security Corporation	Legal	Non-Independent	-
6	Hilal Omar Mustafa Abu Zeid	Natural	Independent	Non-executive
7	Yassin Khalil 'Mohammed Yassin' Talhouni	Natural	Non-Independent	executive
8	Nasser Awwad Mohammad Khaldi	Natural	Independent	Non-executive
9	Bank Al-Etihad	Legal	Non-Independent	-
10	Yazid Adnan Mustafa Mufti	Natural	Non-Independent	Non-executive
11	Samir Said Abdel-Muti Murad	Natural	Independent	Non-executive
12	Rama Investment & Saving Company	Legal	Non-Independent	-
13	Fahad Bin Abdel-Rahman Bin Ali Al-Turki	Natural	Independent	Non-executive







Movenpick Nabatean Castle - Petra



## 2- Representatives of board members:

Ser.	Representative	Independency	
1	Kamil Abdel-Rahman Ibrahim Sadeddin representing Al-Masira Investment Company	Non-Independent	Non-executive
2	Mohamed Ibrahim Ali Bin Ismail from 4/7/2023 representing Libyan Foreign Investments Company	Non-Independent	Non-executive
	Ezzeddin Mohamed M Elghoul till 3/7/2023 representing Libyan Foreign Investments Company	Non-Independent	Non-executive
3	Radi Shehadeh Hasan AlQudah from 1/10/2023 representing Social Security Corporation	Non-Independent	Non-executive
	Buthayna M. M. Mahadeen till 30/9/2023 representing Social Security Corporation	Non-Independent	Non-executive
4	Isam Halim Jeries Salfiti representing Bank Al-Etihad	Non-Independent	Non-executive
5	Suleiman Zayed Ali Al-N'eimat from 1/4/2023 representing Rama Investment & Saving Company	Non-Independent	Non-executive
	Suzan Samir Hasan Mustafa till 31/3/2023 representing Rama Investment & Saving Company	Non-Independent	Non-executive
	Mahmoud Suleiman Al-Maaytah till 1/3/2023 representing Rama Investment & Saving Company	Non-Independent	Non-executive

## C: Executive positions in the Company and names of persons occupying them:

Ser.	Names	Position
1	Yassin Khalil 'Mohammed Yassin' Talhouni	General Manager
2	Ahmad Ibrahim Mohammed Jamjoum	Chief Financial Officer
3	Haitham 'Mohammed Nazih' Nureddin Hanbali	Director Finance

#### D: Membership of the board members in the boards of other public shareholding companies:

Ser.	Names	Memberships
1	Sabih Taher Darwish Masri	- Chairman of the Board of Directors / Arab Bank
2	Khaled Sabih Taher Masri	- Jordan Hotels & Tourism Company - Jordan Himmeh Mineral Company - Arab Bank
3	Kamil Abdel-Rahman Ibrahim Sadeddin	- Jordan Hotels and Tourism Company - Astra Industrial Group (Saudi Arabia)
4	Mohamed Ibrahim Ali Bin Ismail from 4/7/2023 Ezzeddin Mohamed M Elghoul till 3/7/2023	-There are no other memberships in other public shareholding companies -There are no other memberships in other public shareholding companies
5	Fahad Bin Abel-Rahman Bin Ali Al-Turki	- Chairman of the Board of Directors / AlSagr Cooperative Insurance Co. - Vice Chairman of the Board of Directors / A. A. TURKI GROUP (ATCO) - Honeywell Turki Arabia Ltd. - Bahrain Specialist Hospital - Golden Pyramids Plaza Co.
6	Radi Shehadeh Hasan AlQudah from 1/10/2023 Buthayna M. M. Mahadeen till 30/9/2023	- There are no other memberships in other public shareholding companies - There are no other memberships in other public shareholding companies
7	Suleiman Zayed Ali Al-N'eimat from 1/4/2023 Suzan Samir Hasan Mustafa till 31/3/2023 Mahmoud Suleiman Al-Maaytah till 1/3/2023	- There are no other memberships in other public shareholding companies - There are no other memberships in other public shareholding companies - World's Road Transport Organization/ London
8	Nasser Awwad Mohammad Khalidi	- Jordan Hotels and Tourism Company - Jordan Commercial Facilities Company - Irbid Electricity Company
9	Yassin Khalil 'Mohammed Yassin' Talhouni	- Vice Chairman of the Board of Directors / Jordan Hotels & Tourism Company. - Chairman of the Board of Directors / Al-Himmeh Mineral Company - Jordan Electricity Company. - Cairo Amman Bank.
10	Isam Halim Jeries Salfiti	- Chairman of the Board of Directors / Jordan Hotels and Tourism Company. - Chairman of the Board of Directors / Bank Al-Etihad.
11	Hilal Omar Mustafa Abu Zeid	- Jordan Hotels & Tourism Company. - Offtec Holding Group
12	Yazid Adnan Mustafa Mufti	- Chairman of the Board of Directors / Cairo Amman Bank. Middle East Insurance Company. Palestine Development & Investment Company.
13	Samir Said Abdel-Muti Murad	- Chairman of the Board of Directors / Irbid Electricity Co. - Vice Chairman of the Board of Directors / MedGulf Insurance Co. - Societe Generale Jordan



**E: Name of corporate governance officer:**

Ser.	Names	Position
1	Saleh Atallah Saleh Hawamdeh	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 chairman and members of the audit committee, qualifications and experience related to financial and accounting matters:**

Ser.	Names	Qualifications	Experience
1	Nasser Awwad Mohammad Al-Khalidi / President	B.A. Electrical Engineering	- CEO / Dead Sea Touristic and Real Estate Investments Company
2	Suleiman Zayed Ali Al-N'eimat / Member from 1/4/2023	PhD Business Administration- Quality Management	- Jordanian Customs Consultant
	Mahmoud Suleiman Al-Maaytah/ Member till 1/3/2023	-	- President of General Trade Union of Road Transport Workers
3	Mohamed Ibrahim Ali Bin Ismail / Member from 4/7/2023	High Diploma Accounting, Programming and Systems Analysis	-
	Ezzeddin Mohamed M Elghoul / Member till 3/7/2023	High Diploma Diplomatic Studies	- Head of Litigation Section Libya Africa Investment Portfolio till 9/2021
4	Hilal Omar Mustafa Abu Zeid / Member	M.A. Scientific Finance	- Finance Consultant



**H: Names of the chairman and members of the nomination and remuneration committee, the governance committee and the risk management committee:**

Ser.	Names of Nomination & Remuneration Committee members
1	Hilal Omar Mustafa Abu Zeid / President
2	Khaled Sabih Taher Masri / Member
3	Nasser Awwad Mohammad Al-Khaldi / Member

Ser.	Names of Governance Committee members
1	Nasser Awwad Mohammad Al-Khaldi / President
2	Hilal Omar Mustafa Abu Zeid / Member
3	Radi Shehadeh Hasan AlQudah / Member from 1/10/2023 Buthayna M. M. Mahadeen / Member till 30/9/2023

Ser.	Names of Risk Management Committee members
1	Hilal Omar Mustafa Abu Zeid / President
2	Kamil Abdel-Rahman Ibrahim Sadeddin / Member
3	Nasser Awwad Mohammad Al-Khaldi / Member





Movenpick Aqaba - Sufra Restaurant (Terrace)



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

Ser.	Committee	No. of Meetings	Attendees
1	Audit	4	<ul style="list-style-type: none"> <li>- 1<sup>st</sup> meeting: Mr. Hilal Abu Zeid, Mr. Ezzeddin Elghoul, Mr. Nasser Al-Khaldi</li> <li>- 2<sup>nd</sup> Meeting: Mr. Hilal Abu Zeid, Mr. Ezzeddin Elghoul, Mr. Suleiman Al-N'eimat, Mr. Nasser Al-Khaldi</li> <li>- 3<sup>rd</sup> Meeting: Mr. Hilal Abu Zeid, Mr. Mohamed Ben Ismail, Mr. Suleiman Al-N'eimat, Mr. Nasser Al-Khaldi</li> <li>- 4<sup>th</sup> Meeting: Mr. Hilal Abu Zeid, Mr. Mohamed Ben Ismail, Mr. Suleiman Al-N'eimat, Mr. Nasser Al-Khaldi</li> </ul>
2	Nominations & Remuneration	4	<ul style="list-style-type: none"> <li>- 1<sup>st</sup> meeting: Mr. Hilal Abu Zeid, Mr. Nasser Al-Khaldi, Mr. Khaled Masrii</li> <li>- 2<sup>nd</sup> Meeting: Mr. Hilal Abu Zeid, Mr. Nasser Al-Khaldi, Mr. Khaled Masri</li> <li>- 3<sup>rd</sup> Meeting: Mr. Hilal Abu Zeid, Mr. Nasser Al-Khaldi, Mr. Khaled Masri</li> <li>- 4<sup>th</sup> Meeting: Mr. Hilal Abu Zeid, Mr. Nasser Al-Khaldi, Mr. Khaled Masri</li> </ul>
3	Governance	3	<ul style="list-style-type: none"> <li>- 1<sup>st</sup> meeting: Mr. Hilal Abu Zeid, Ms. Buthayna Mahadeen, Mr. Nasser Al-Khaldi</li> <li>- 2<sup>nd</sup> Meeting: Mr. Hilal Abu Zeid, Ms. Buthayna Mahadeen, Mr. Nasser Al-Khaldi</li> <li>- 3<sup>rd</sup> Meeting: Mr. Hilal Abu Zeid, Mr. Nasser Al-Khaldi</li> </ul>
4	Risk Management	3	<ul style="list-style-type: none"> <li>- 1<sup>st</sup> meeting: Mr. Hilal Abu Zeid, Mr. Kamil Sadeddin, Mr. Nasser Al-Khaldi</li> <li>- 2<sup>nd</sup> Meeting: Mr. Hilal Abu Zeid, Mr. Kamil Sadeddin, Mr. Nasser Al-Khaldi</li> <li>- 3<sup>rd</sup> Meeting: Mr. Hilal Abu Zeid, Mr. Kamil Sadeddin, Mr. Nasser Al-Khaldi</li> </ul>

**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 2023:

### Audit Committee:

Four meetings were held during the fiscal year ended 31 December 2023, and the following recommendations were made:

Ser.	Date	Recommendations to the Board of Directors
First Meeting	20/03/2023	<ul style="list-style-type: none"> <li>* Approval of consolidated financial statements for the year ended 31 December 2022.</li> <li>* Approval of the 29<sup>th</sup> draft annual report for the year ended 31 December 2022.</li> <li>* Approval of the Committee activity report for submission to the ordinary general assembly.</li> </ul>
Second Meeting	17/04/2023	<ul style="list-style-type: none"> <li>* Approval of interim consolidated financial statements for the three months ended 31 March 2023.</li> <li>* Approval of the election of the independent auditor and maintaining the fees at the level of JD 136,000 for the year ending December 31, 2023.</li> </ul>
Third Meeting	24/07/2023	<ul style="list-style-type: none"> <li>* Approval of interim condensed consolidated financial statements for the six months ended 30 June 2023.</li> </ul>
Fourth Meeting	30/10/2023	<ul style="list-style-type: none"> <li>* Approval of interim condensed consolidated financial statements for the nine months ended 30 September 2023.</li> <li>* Approval of the Committee proposed plan of action for the coming year 2024.</li> </ul>

### Nominations and Remuneration Committee:

Four meetings were held during the fiscal year ended 31 December 2023, and the following recommendations were made:

Ser.	Date	Recommendations to the Board of Directors
First Meeting	25/01/2023	<ul style="list-style-type: none"> <li>* Approval of the increases, amendments and bonuses report for Zara Investment Company and its subsidiaries.</li> </ul>
Second Meeting	26/02/2023	<ul style="list-style-type: none"> <li>* Review of the independency of the board members and proposition of amendment as per enacted laws.</li> <li>* Preparation of the committee works report for submission to the ordinary general assembly.</li> <li>* Review and study bonus policies, incentives and job succession.</li> </ul>
Third Meeting	17/4/2023	<ul style="list-style-type: none"> <li>* Study the financial performance reports of the operations to Show incentives and bonuses.</li> </ul>
Fourth Meeting	30/10/2023	<ul style="list-style-type: none"> <li>* Approval of the Committee proposed plan of action for the coming year 2024.</li> </ul>



### Governance Committee:

Three meetings were held during the fiscal year ended 31 December 2023, and the following recommendations were made:

Ser.	Date	Recommendations to the Board of Directors
First Meeting	26/02/2023	* Preparation of the annual Governance Report to be included in the Annual Report. * Preparation of the committee activity report for submission to the ordinary general assembly.
Second Meeting	17/04/2023	* Review implementation procedures and compliance with Governance regulations.
Third Meeting	30/10/2023	* Approval of the Committee proposed plan of action for the coming year 2024.

### Risk Management Committee:

Three meetings were held during the fiscal year ended 31 December 2023, and the following recommendations were made:

Ser.	Date	Recommendations to the Board of Directors
First Meeting	26/02/2023	* Preparation of the committee activity report for submission to the ordinary general assembly.
Second Meeting	17/04/2023	* Review risk management policies report draft and evaluate the different types of risks.
Third Meeting	30/10/2023	* Approval of the Committee proposed plan of action for the coming year 2024.





### 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 2023 as follows:

Ser.	Attendees
First Meeting	Mr. khaled Masri, Mr. Yassin Talhouni, Mr. Kamil Sadeddin, Mr. Ezzeddin Elghoul, Ms. Buthayna Mahadeen, Mr. Samir Murad, M. Suzan Mustafa, Mr. Yazid Mufti, Mr. Isam Salfiti, Mr. Nasser Al Khaldi, Mr. Hilal Abu Zeid, Mr. Fahad Al Turki except Mr. Sabih Masri with an acceptable excuse.
Second Meeting	Mr. Sabih Masri, Mr. khaled Masri, Mr. Yassin Talhouni, Mr. Kamil Sadeddin, Mr. Ezzeddin Elghoul, Ms. Buthayna Mahadeen, Mr. Samir Murad, Mr. Suleiman Al-N'eimat, Mr. Yazid Mufti, Mr. Isam Salfiti, Mr. Nasser Al Khaldi, Mr. Hilal Abu Zeid, Mr. Fahad Al Turki
Third Meeting	Mr. Sabih Masri, Mr. khaled Masri, Mr. Yassin Talhouni, Mr. Kamil Sadeddin, Mr. Mohamed Ben Ismail, Ms. Buthayna Mahadeen, Mr. Samir Murad, Mr. Suleiman Al-N'eimat, Mr. Yazid Mufti, Mr. Nasser Al Khaldi, Mr. Hilal Abu Zeid, Mr. Fahad Al Turki except Mr. Isam Salfiti with an acceptable excuse.
Fourth Meeting	Mr. Sabih Masri, Mr. khaled Masri, Mr. Yassin Talhouni, Mr. Kamil Sadeddin, Mr. Mohamed Ben Ismail, Ms. Buthayna Mahadeen, Mr. Samir Murad, Mr. Suleiman Al-N'eimat, Mr. Yazid Mufti, Mr. Nasser Al Khaldi, Mr. Fahad Al Turki except Mr. Isam Salfiti and Mr. Hilal Abu Zeid with an acceptable excuse.
Fifth Meeting	Mr. Sabih Masri, Mr. khaled Masri, Mr. Yassin Talhouni, Mr. Kamil Sadeddin, Mr. Mohamed Ben Ismail, Mr. Radi AlQudah, Mr. Samir Murad, Mr. Suleiman Al-N'eimat, Mr. Yazid Mufti, Mr. Isam Salfiti, Mr. Nasser Al Khaldi, Mr. Hilal Abu Zeid, Mr. Fahad Al Turki.
Sixth Meeting	Mr. Sabih Masri, Mr. khaled Masri, Mr. Kamil Sadeddin, Mr. Mohamed Ben Ismail, Mr. Radi AlQudah, Mr. Samir Murad, Mr. Suleiman Al-N'eimat, Mr. Yazid Mufti, Mr. Isam Salfiti, Mr. Nasser Al Khaldi, Mr. Hilal Abu Zeid, Mr. Fahad Al Turki Al Turki except Mr. Yassin Talhouni with an acceptable excuse.

### Sabih Taher Masri

Chairman of the Board of Directors





Movenpick Nabatean Castle - Petra



# CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023



## 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) Public Shareholding Company (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, consolidated statement of profit or loss, consolidated statement of 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 material 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 2023, 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 Professional Accountants' (including International Independence Standards) (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 2023. 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.

#### **Key Audit Matter 1: Revenue Recognition**

Refer to Note (19) to the consolidated financial statements

Key audit matter	How the key audit matter was addressed in the audit
<p>The Group owns and operates a number of hotels. Most of the Group's revenues are generating from the accommodation in the Group's hotel rooms and resorts and the sale of food and beverage in all of the Group's hotels and resorts facilities. Revenues are recognized based on the services provided and sales to customers.</p> <p>Revenue recognition was considered one of the key audit matters for the year 2023 due to the risk of errors occurring when recording and recognizing revenues as a result of the high volume of relatively low value transactions. There is also a risk that services may be rendered to clients without being fully recorded and hence may result in an overstatement or understatement of revenues.</p> <p>The Group focuses on revenues as a key performance measure, which may create an incentive for revenue to be recognized before rendering the service. Operating revenues for the year ended 31 December 2023 amounted to JD 71,893,217 (2022: JD 65,238,232).</p>	<p>Our audit procedures included understanding of the internal controls over revenue recognition, including the main internal control elements of the revenue recognition process. We also performed a detailed study to analyze the gross margin on a monthly basis for the room departments, food and beverage and other departments. We have also performed analytical procedures based on expectations built around revenue figures for the year using financial and non-financial information. We selected and tested a sample of daily reports that result in revenue recognition to ensure proper revenue recognition. In addition, we selected a sample before and after the year-end of 2023 to assess whether the revenue was recognized in the correct period.</p>



### **Other information included in the Group's 2023 annual report**

Other information consists of the information included in the Group's 2023 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2023 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 will not express any form of assurance conclusion thereon.

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

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

Management 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.

### **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 exists. 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, actions taken to eliminate threats or safeguards applied.

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

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

**Amman – Jordan**  
**24 March 2024**



**Zara Investment (Holding) Company P.S.C.**  
**Consolidated Statement of Financial Position**  
**As At 31 December 2023**

<b>ASSETS</b>	<b>Notes</b>	<b>2023</b>	<b>2022</b>
		<b>JD</b>	<b>JD</b>
<b>Non-current assets -</b>			
Property and equipment	4	147,374,057	150,777,574
Investment properties	5	2,444,598	2,585,348
Right-of-use assets	6	6,083,508	5,973,064
Projects in progress	7	4,800,875	4,371,496
Financial assets at fair value through other comprehensive income	8	3,364,888	3,313,903
Advance payments in respect of purchase of land	10	111,200	111,200
Deferred tax assets	23	3,688,485	4,145,777
Advance payments to suppliers and contractors		669,359	780,113
Other non-current assets	12	-	<u>1,333,375</u>
		<u>168,536,970</u>	<u>173,391,850</u>
<b>Current assets -</b>			
Inventories	11	1,737,346	1,894,622
Other current assets	12	3,180,695	1,480,688
Accounts receivable	13	1,808,460	3,389,094
Cash on hand and at banks	14	<u>35,262,610</u>	<u>25,985,774</u>
		<u>41,989,111</u>	<u>32,750,178</u>
<b>Total assets</b>		<u>210,526,081</u>	<u>206,142,028</u>

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



EQUITY AND LIABILITIES	Notes	2023	2022
		JD	JD
<b>EQUITY</b>			
<b>Attributable to the equity owners of the Company -</b>			
Paid-in capital	15	145,000,000	150,000,000
Statutory reserve	15	850,293	6,638,512
Voluntary reserve	15	-	689,496
Cumulative change in fair value	9	(1,207,032)	(1,255,341)
Retained earnings (accumulated losses)	15	<u>4,769,797</u>	<u>(12,173,704)</u>
		149,413,058	143,898,963
Non-controlling interests	28	<u>18,561,988</u>	<u>18,309,667</u>
Total equity		<u>167,975,046</u>	<u>162,208,630</u>
<b>LIABILITIES -</b>			
<b>Non-current liabilities -</b>			
Long-term loans	16	13,559,851	14,192,644
Long-term lease obligations	6	4,611,616	4,713,129
Deferred tax liabilities	23	227,259	237,056
Other non-current liabilities	17	<u>6,618,204</u>	<u>8,861,420</u>
		<u>25,016,930</u>	<u>28,004,249</u>
<b>Current liabilities -</b>			
Current portion of long-term loans	16	2,286,007	1,095,057
Short-term lease obligations	6	1,377,789	1,295,085
Accounts payable		5,462,690	6,218,153
Other current liabilities	17	7,912,663	6,913,773
Other provisions	18	263,923	338,428
Income tax provision	23	<u>231,033</u>	<u>68,653</u>
		<u>17,534,105</u>	<u>15,929,149</u>
<b>Total liabilities</b>		<u>42,551,035</u>	<u>43,933,398</u>
<b>Total equity and liabilities</b>		<u>210,526,081</u>	<u>206,142,028</u>

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 2023**

	Notes	2023	2022
		JD	JD
Operating revenues		71,893,217	65,238,232
Operating expenses		<u>(54,806,076)</u>	<u>(49,862,398)</u>
<b>Net operating revenues</b>	19	17,087,141	15,375,834
Other income	20	979,870	1,325,405
Interest income		917,617	234,121
Depreciation of property and equipment and investment properties	4,5	(8,190,317)	(7,990,934)
Depreciation of right-of-use assets	6	(406,549)	(410,517)
Finance costs	21	(1,045,010)	(1,023,791)
Administrative expenses	22	(2,649,397)	(2,952,920)
Other provisions	18	(69,257)	(90,864)
(Charged) recovered from provision for slow moving inventories, net	11	(43,772)	19,273
Recovered from provision for impairment of inventories	11	<u>312</u>	<u>312</u>
<b>Profit for the year before income tax</b>		6,580,638	4,485,919
Income tax expense, net	23	<u>(862,531)</u>	<u>(920,561)</u>
<b>Profit for the year</b>		<u>5,718,107</u>	<u>3,565,358</u>
<b>Attributable to:</b>			
Equity holders of the Company		5,405,693	3,630,713
Non-controlling interests	28	<u>312,414</u>	<u>(65,355)</u>
		<u>5,718,107</u>	<u>3,565,358</u>
		JD / Fils	JD / Fils
<b>Basic and diluted profit (loss) per share attributable to the equity holders of the Company</b>	24	<u>0/037</u>	<u>0/025</u>

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



Zara Investment (Holding) Company P.S.C.  
Consolidated Statement of Comprehensive Income  
For The Year Ended 31 December 2023

	Notes	2023	2022
		JD	JD
Profit for the year		5,718,107	3,565,358
<b>Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods, net of tax:</b>			
Change in fair value, net of deferred tax liabilities	9	<u>48,309</u>	<u>(990,363)</u>
<b>Total comprehensive income for the year</b>		<u>5,766,416</u>	<u>2,574,995</u>
<b>Attributable to:</b>			
Equity holders of the Company		5,454,002	2,640,350
Non-controlling interests		<u>312,414</u>	<u>(65,355)</u>
		<u>5,766,416</u>	<u>2,574,995</u>

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 2023**

	Attributable to		
	Paid-in capital	Reserves	
		Statutory	Voluntary
JD	JD	JD	
<b>2023 -</b>			
<b>Balance at 1 January</b>	150,000,000	6,638,512	689,496
Total comprehensive income for the year	-	-	-
Accumulated losses write-off through paid-in capital and reserves (note 15)	(5,000,000)	(6,484,208)	(689,496)
Transferred to statutory reserve	-	695,989	-
Change in non-controlling interests due to liquidation of a subsidiary	-	-	-
Change in non-controlling interests due to increase in the share capital of a subsidiary	-	-	-
<b>Balance at 31 December</b>	<u>145,000,000</u>	<u>850,293</u>	<u>-</u>
<b>2022 -</b>			
<b>Balance at 1 January</b>	150,000,000	5,998,858	689,496
Total comprehensive income for the year	-	-	-
Transferred to statutory reserves	-	639,654	-
Change in non-controlling interests due to increase in the share capital of a subsidiary	-	-	-
<b>Balance at 31 December</b>	<u>150,000,000</u>	<u>6,638,512</u>	<u>689,496</u>

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



the equity holders of the company				
Cumulative change in fair value	Retained earnings (Accumulated losses)	Total	Non-controlling interests	Total equity
JD	JD	JD	JD	JD
(1,255,341)	(12,173,704)	143,898,963	18,309,667	162,208,630
48,309	5,405,693	5,454,002	312,414	5,766,416
-	12,173,704	-	-	-
-	(695,989)	-	-	-
-	62,869	62,869	(62,869)	-
-	(2,776)	(2,776)	2,776	-
<u>(1,207,032)</u>	<u>4,769,797</u>	<u>149,413,058</u>	<u>18,561,988</u>	<u>167,975,046</u>
(264,978)	(15,163,139)	141,260,237	18,373,398	159,633,635
(990,363)	3,630,713	2,640,350	(65,355)	2,574,995
-	(639,654)	-	-	-
-	(1,624)	(1,624)	1,624	-
<u>(1,255,341)</u>	<u>(12,173,704)</u>	<u>143,898,963</u>	<u>18,309,667</u>	<u>162,208,630</u>

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



**Zara Investment (Holding) Company P.S.C.**  
**Consolidated Statement of Cash Flows**  
**For The Year Ended 31 December 2023**

		2023	2022
		JD	JD
<b>Operating Activities</b>			
Profit for the year before income tax		6,580,638	4,485,919
<b>Adjustments:</b>			
Interest income		(917,617)	(234,121)
Dividends income	20	(36,418)	-
Gain on sale and disposal of property and equipment	20	(11,296)	(58,167)
Finance costs	21	1,045,010	1,023,791
Depreciation of property and equipment and investment properties	4,5	8,190,317	7,990,934
Depreciation of right-of-use assets	6	406,549	410,517
Grant income	20	(199,997)	(199,997)
Other provisions, net	18	69,257	(308,051)
Recovered from income tax provision	23	(2,152)	-
(Recovered from) provision for impairment of inventories	11	(312)	(312)
Provision for (recovered from) slow moving inventories, net	11	43,772	(19,273)
Recovered from provision for expected credit losses, net	13	(169,260)	(151,282)
<b>Changes in working capital:</b>			
Inventories		113,816	(426,466)
Other current assets		(366,632)	66,405
Accounts receivable		1,749,894	(1,162,101)
Accounts payable		(826,892)	975,056
Other current liabilities		405,581	1,286,210
Other provisions paid	18	(143,762)	(120,636)
Income tax paid	23	(253,181)	(88,890)
<b>Net cash flows from operating activities</b>		<u>15,677,315</u>	<u>13,469,536</u>

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





	Notes	2023	2022
		JD	JD
<b>Investing activities</b>			
Purchase of property and equipment	4	(3,335,523)	(2,555,792)
Proceeds from sale of property and equipment		11,801	62,633
Purchase of investment properties	5	(774)	(888)
Projects in progress	7	(1,628,883)	(2,903,544)
Advance payments to suppliers and contractors		-	(258,238)
Contractors' retentions and accruals		(468,301)	280,443
Deposits maturing after three months		-	(2,000,000)
Interest income received		917,617	234,121
Dividends income received		<u>36,418</u>	<u>-</u>
<b>Net cash flows used in investing activities</b>		<u>(4,467,645)</u>	<u>(7,141,265)</u>
<b>Financing Activities</b>			
Proceeds from loans		2,038,134	8,603,629
Repayment of loans		(1,189,747)	-
Other current liabilities		(1,289,534)	479,882
Finance costs paid		(497,820)	(438,738)
Payments of lease obligations	6	<u>(993,867)</u>	<u>(861,522)</u>
<b>Net cash flows (used in) from financing activities</b>		<u>(1,932,834)</u>	<u>7,783,251</u>
<b>Net increase in cash and cash equivalents</b>		9,276,836	14,111,522
Cash and cash equivalents at the beginning of the year		<u>23,985,774</u>	<u>9,874,252</u>
<b>Cash and cash equivalents at the end of the year</b>	14	<u>33,262,610</u>	<u>23,985,774</u>

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



## Zara Investment (Holding) Company P.S.C. Notes to the Consolidated Financial Statements 31 December 2023

### (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 145,000,000 consisting of 145,000,000 shares of JD 1 par value each as of 31 December 2023.

The extraordinary general assembly of the Company's shareholders decided, in its meeting held on April 18, 2023, to extinguish the entire balance of the company's accumulated losses as of December 31, 2022, amounting to 12,173,704 dinars, by reducing the capital by 5,000,000 dinars, and reducing the balance of the statutory and voluntary reserves by 6,484,208 dinars and 689,496 dinars, respectively. The capital reduction procedures were completed on July 31, 2023, whereby the paid in capital decreased from 150,000,000 dinars to 145,000,000 dinars, distributed into 145,000,000 shares with a nominal value of one dinar per share.

The principal activities of the Company are to manage its subsidiaries (collectively referred to as 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 on 19 March 2024. These consolidated financial statements are subject to the approval of the General Assembly.

### (2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

#### (2.1) BASIS OF PREPARATION

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

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

The consolidated financial statements have been presented in Jordanian Dinar which represents 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 of 31 December 2023 and 2022.

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.
- 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:



- Contractual arrangement with 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 Company 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 Company's share of components previously recognized in OCI to profit or loss.

### (2.3) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2022 except for the adoption of new amendments on the standards effective as of 1 January 2023 shown below:

#### **IFRS 17 Insurance Contracts**

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 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. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

This standard is not applicable to the Group.



### **Definition of Accounting Estimates - Amendments to IAS 8**

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the consolidated financial statements of the Group.

### **Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective from 1 January 2023, and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the consolidated financial statements of the Group.

### **Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12**

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective from 1 January 2023, and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the consolidated financial statements of the Group.

### **International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12**

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules as its revenue is less than EUR 750 million/year.

## (2.4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and any impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for 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) are depreciated using the straight-line method over their estimated useful lives using the following annual depreciation rates:

	<u>JD</u>
Buildings	2
Electro-mechanicals	10-15
Machinery and equipment	15
Furniture and fixture	15
Computer hardware and software	20
Vehicles	15
Others	2-20

The assets useful lives and methods of depreciation are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment and adjusted prospectively.

When property and equipment 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 investments in 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, net of accumulated depreciation and any accumulated impairment losses, if any. Investment properties (except for land) are depreciated on a straight-line basis over their estimated useful lives at annual depreciation rates ranging between 2% and 20%

The carrying values of investment properties are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the investment properties are written down to their recoverable amount. The impairment loss is recorded in the consolidated statement of profit or loss.

Any gain or loss arising on derecognition of the investment properties (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of profit or loss when the investment property is derecognized.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.



## **Lease Contracts**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease obligations to make lease payments and right-of-use assets representing the right to use the underlying assets. The assets of customer contracts are also subject to impairment.

### ***Right-of-use assets***

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

### ***Lease liabilities***

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

The Group applies the short-term lease recognition exemption to some of its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

### ***Significant judgement in determining the lease term of contracts with renewal options***

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.



The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew.

That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of plant and equipment due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on Group's operations if a replacement is not readily available.

### **Deferred grants**

Deferred grants are recognized as deferred where there is reasonable assurance that the grant will be received and all attached conditions will be complied with, Deferred grants revenue are recognized in the consolidated statement of profit or loss over the periods that the related costs, for which it is intended to compensate, are expensed.

### **Projects in progress**

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

### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if present).

The Group has established a provision calculation that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

### **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.

### **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 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 comprehensive income and in the consolidated statement of changes in equity, and the valuation reserve balance for sold assets is transferred directly to retained earnings. These assets are not subject to impairment testing. Dividends 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 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.

### **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 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 related to expected credit losses (ECL). The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



**Offsetting**

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.

**Current versus non-current classification**

The Group presents assets and liabilities in the consolidated statement of financial position based on current/ non-current classification. An asset is current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realised within twelve months after the reporting period or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period of the consolidated financial statement dates.

All other assets are classified as non-current assets.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period of the consolidated financial statements date, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period of the consolidated financial statements date.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Cash and cash equivalents**

Cash and bank balance in the consolidated statement financial position comprise cash at banks and on hand and short-term deposits with original maturity of three months or less which are not subject to rises of change in value.

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 (if present).

**Loans**

Loans are initially recognized at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into consideration any discount or acquisition premium, fees and costs are an integral part of the effective interest rate. Finance costs are 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 in which they are incurred. Borrowing costs consist of interest and other costs that the Group 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 of the Group, 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**

Income tax provision is calculated in accordance with the Income Tax Law in the Hashemite Kingdom of Jordan, and in accordance with IAS (12).

Tax expense comprises current tax and deferred taxes. Deferred tax is provided on temporary differences at the consolidated financial statements date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is measured using the liability method in the consolidated statement of financial position and 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 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 tax asset to be utilized.

## **Revenue and expense recognition**

The Group provides hotel services through several hotels and resorts scattered in the Hashemite Kingdom of Jordan (Amman, the Dead Sea, Petra, Himmeh, and Aqaba). The details of the Group's revenues and recognition policy are as follows:

### ***Hotel Services***

Revenues from lodging services represent the service of providing hotel rooms to regular customers and conference participants, and this revenue is recognized daily over the residence period and when this service is provided.

### ***Food and Beverage Services***

The revenues from food and beverage services represent the revenues realized from the service of providing food and beverages to customers through room service, conference participants, and other restaurants within the hotel. Food and beverage revenues are recognized upon rendering the service and issue the invoice to the customer, which usually occurs at a specific point in time.

### ***Conferences, Meetings, and Parties***

The revenues from services of conferences, meetings, and parties represent the revenues realized from the service of providing the halls in the hotel's conference center for holding conferences, meetings, and parties for customers, each according to its need, and revenues are recognized when the service is provided and at a certain point in time.

### ***Rentals***

Rental revenues represent the revenues realized by the Company through renting some spaces in the hotel to customers where the payments from tenants are recorded as unrealized revenues and are recognized at the commencement of the lease term and over the contract's life.

### ***Interest and Other Revenues***

Interest income is realized using the effective interest rate method.

Other revenues are recognized according to the accrual principle.

### ***Expenses***

Expenses are recognized according to the accrual principle.



### 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 Dinar 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 JUDGMENTS, 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.

The significant judgments, estimates and assumptions in the consolidated financial statements are as follows:

- A provision is established for accounts receivable based on basis and assumptions approved by the Group's management to estimate the required allowance for expected credit losses in accordance with IFRS (9) "Financial Instruments".
- Income tax expense is charged for the year in accordance with laws, regulations and accounting standards. 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 based on the general conditions of the property and equipment the estimate of the future useful lives.
- A provision is established against court cases where the Group is the defendant, based on a legal study provided by the Group's legal advisor which determines the risk that may occur. These studies are reviewed periodically, and the provision is adjusted accordingly.
- 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. No impairment losses were recognised in the consolidated statement of profit or loss for the current year.
- The Group is required to make judgements and estimates affect the measurement of right-of-use assets and lease obligations. In determining the lease term, all facts and circumstances must be considered which create an economic incentive to exercise renewal options. Assessing whether a contract includes a lease also requires judgment. Estimates are required to determine the appropriate discount rate used to measure the lease obligations.
- The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available.



#### (4) PROPERTY AND EQUIPMENT

	Land	Buildings	Electro-mechanicals
	JD	JD	JD
<b>2023 -</b>			
<b>Cost -</b>			
At 1 January	36,704,392	169,680,746	70,528,473
Additions	-	416,467	175,545
Transferred from projects in progress (Note 7)	-	679,420	145,068
Disposals	<u>-</u>	<u>-</u>	<u>(55,835)</u>
At 31 December	<u>36,704,392</u>	<u>170,776,633</u>	<u>70,793,251</u>
<b>Accumulated depreciation -</b>			
At 1 January	-	69,153,753	68,494,255
Depreciation for the year	-	3,666,334	672,802
Disposals	<u>-</u>	<u>-</u>	<u>(55,835)</u>
At 31 December	<u>-</u>	<u>72,820,087</u>	<u>69,111,222</u>
<b>Net book value</b>			
At 31 December 2023	<u>36,704,392</u>	<u>97,956,546</u>	<u>1,682,029</u>

The cost of fully depreciated property and equipment as at 31 December 2023 is JD 168,721,503 (2022: JD 165,936,597).

<b>2022 -</b>			
<b>Cost -</b>			
At 1 January	36,704,392	168,842,190	70,240,089
Additions	-	286,864	301,601
Transferred from projects in progress (Note 7)	-	551,692	67,778
Disposals	<u>-</u>	<u>-</u>	<u>(80,995)</u>
At 31 December	<u>36,704,392</u>	<u>169,680,746</u>	<u>70,528,473</u>
<b>Accumulated depreciation -</b>			
At 1 January	-	65,556,835	67,925,796
Depreciation for the year	-	3,596,918	649,454
Disposals	<u>-</u>	<u>-</u>	<u>(80,995)</u>
At 31 December	<u>-</u>	<u>69,153,753</u>	<u>68,494,255</u>
<b>Net book value</b>			



Machinery and equipment	Furniture and fixture	Computer hardware and software	Vehicles	Others	Total
JD	JD	JD	JD	JD	JD

47,241,421	59,892,122	9,366,482	1,778,797	2,415,589	397,608,022
1,439,773	1,019,040	226,426	58,272	-	3,335,523
26,491	217,693	241,586	-	-	1,310,258
<u>(11,010)</u>	<u>(124,045)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,890)</u>
<u>48,696,675</u>	<u>61,004,810</u>	<u>9,834,494</u>	<u>1,837,069</u>	<u>2,415,589</u>	<u>402,062,913</u>

42,669,760	54,227,924	9,024,241	1,391,191	1,869,324	246,830,448
1,667,436	1,723,061	208,500	93,915	16,745	8,048,793
<u>(11,010)</u>	<u>(123,540)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,385)</u>
<u>44,326,186</u>	<u>55,827,445</u>	<u>9,232,741</u>	<u>1,485,106</u>	<u>1,886,069</u>	<u>254,688,856</u>

<u>4,370,489</u>	<u>5,177,365</u>	<u>601,753</u>	<u>351,963</u>	<u>529,520</u>	<u>147,374,057</u>
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46,187,890	59,291,106	9,255,100	1,542,023	2,415,589	394,478,379
919,488	648,377	137,072	262,390	-	2,555,792
324,999	72,719	-	-	-	1,017,188
<u>(190,956)</u>	<u>(120,080)</u>	<u>(25,690)</u>	<u>(25,616)</u>	<u>-</u>	<u>(443,337)</u>
<u>47,241,421</u>	<u>59,892,122</u>	<u>9,366,482</u>	<u>1,778,797</u>	<u>2,415,589</u>	<u>397,608,022</u>

41,214,424	52,689,868	8,847,169	1,334,681	1,852,580	239,421,353
1,646,292	1,658,136	202,762	77,660	16,744	7,847,966
<u>(190,956)</u>	<u>(120,080)</u>	<u>(25,690)</u>	<u>(21,150)</u>	<u>-</u>	<u>(438,871)</u>
<u>42,669,760</u>	<u>54,227,924</u>	<u>9,024,241</u>	<u>1,391,191</u>	<u>1,869,324</u>	<u>246,830,448</u>



## (5) INVESTMENT PROPERTIES

	2023	2022
	JD	JD
<b>Cost</b>		
As at 1 January	10,527,318	10,526,430
Additions	<u>774</u>	<u>888</u>
As at 31 December	<u>10,528,092</u>	<u>10,527,318</u>
<b>Accumulated depreciation and impairment -</b>		
As at 1 January	7,941,970	7,799,002
Depreciation for the year	<u>141,524</u>	<u>142,968</u>
As at 31 December	<u>8,083,494</u>	<u>7,941,970</u>
<b>Net book value</b>		
At 31 December	<u>2,444,598</u>	<u>2,585,348</u>

This item represents properties owned by the Group, which represents the commercial complex (Zara Center) located in Arar Street in Wadi Saqra, Amman - Jordan.

In the management's opinion, the fair value of the investments properties exceeds the book value as of 31 December 2023.

## (6) RIGHTS-OF-USE ASSETS

The schedule below illustrates the book value of the Group's right-of-use assets and lease obligations and the movements during the year ended 31 December 2023 and 2022:

	Right of use assets			Lease obligations*
	Land	Photovoltaic system	Total	
	JD	JD	JD	
<b>2023 -</b>				
<b>At 1 January</b>	824,272	5,148,792	5,973,064	6,008,214
Additions	516,993	-	516,993	516,993
Depreciation	(114,644)	(291,905)	(406,549)	-
Finance costs (note 21)	-	-	-	529,494
Payments	-	-	-	(993,867)
Transferred to accounts payable	-	-	-	<u>(71,429)</u>
<b>At 31 December</b>	<u>1,226,621</u>	<u>4,856,887</u>	<u>6,083,508</u>	<u>5,989,405</u>
<b>2022 -</b>				
<b>At 1 January</b>	942,886	5,440,695	6,383,581	6,500,320
Depreciation	(118,614)	(291,903)	(410,517)	-
Finance costs (Note 21)	-	-	-	555,020
Payments	-	-	-	(861,522)
Transferred to accounts payable	-	-	-	<u>(185,604)</u>
<b>At 31 December</b>	<u>824,272</u>	<u>5,148,792</u>	<u>5,973,064</u>	<u>6,008,214</u>



\* The details of the lease obligations as at 31 December 2023 and 2022 are as follows:

31 December 2023			31 December 2022		
Short-term	Long-term	Total	Short-term	Long-term	Total
<u>1,377,789</u>	<u>4,611,616</u>	<u>5,989,405</u>	<u>1,295,085</u>	<u>4,713,129</u>	<u>6,008,214</u>

## (7) PROJECTS IN PROGRESS

This item represents the cost of executed works and amounts paid to the contractors in each of the following subsidiaries:

	2023	2022
	JD	JD
Jordan Hotels and Tourism Co.	216,245	22,790
Jordan Himmeh Mineral Co.	4,091,490	4,077,388
Nabatean Hotels Co.	34,937	56,262
Amman Tourism Investment Co.	45,827	20,014
Oasis Hotels Co.	525,703	525,703
National Hotels and Tourism Co.	179,198	426,159
Red Sea Hotels Co.	430,558	84,581
South Coast Hotels Co.	589,474	589,474
Zara South Coast Development Co.	148,235	29,917
Zara Investment (Holding) Co.	<u>102,986</u>	<u>102,986</u>
	6,364,653	5,935,274
Less: provision for projects in progress*	<u>(1,563,778)</u>	<u>(1,563,778)</u>
	<u>4,800,875</u>	<u>4,371,496</u>

The capitalized interest expense to projects in progress amounted to JD 10,477 as of 31 December 2023 (2022: 74,056).



\* Movements on projects in progress were as follow:

	2023	2022
	JD	JD
Beginning balance	5,935,274	4,048,918
Additions	1,739,637	2,903,544
Transferred to property and equipment (Note 4)	<u>(1,310,258)</u>	<u>(1,017,188)</u>
	6,364,653	5,935,274
Less: Impairment provision of projects in progress*	<u>(1,563,778)</u>	<u>(1,563,778)</u>
Ending balance	<u>4,800,875</u>	<u>4,371,496</u>

The estimated cost to complete above projects is JD 16,000,000 as of 31 December 2023 (2022: JD 14,000,000). Management expects to complete these projects during the upcoming two years.

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

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

	2023	2022
	JD	JD
<b>Quoted shares – Local</b>		
Jordan Express Tourist Transport Company PLC	688,294	637,309
Jordan Projects Tourism Development Company PLC	<u>2,676,594</u>	<u>2,676,594</u>
	<u>3,364,888</u>	<u>3,313,903</u>

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

	2023	2022
	JD	JD
Beginning balance	3,313,903	4,320,041
Change in fair value (Note 9)	<u>50,985</u>	<u>(1,006,138)</u>
Ending balance	<u>3,364,888</u>	<u>3,313,903</u>





#### (9) CUMULATIVE CHANGE IN FAIR VALUE

Movements on cumulative change in fair value were as follows:

	2023	2022
	JD	JD
Beginning balance	(1,255,341)	(264,978)
Change in fair value of financial assets at fair value through other comprehensive income (Note 8)	50,985	(1,006,138)
Change in deferred tax liabilities (Note 23)	<u>(2,676)</u>	<u>15,775</u>
Ending balance	<u>(1,207,032)</u>	<u>(1,255,341)</u>

#### (10) ADVANCE PAYMENTS IN RESPECT OF PURCHASES OF LAND

This item represents amounts paid by Nabatean Hotels Company (a Subsidiary) to purchase a land plot in Petra which has been registered under the name of the Chairman of the Board of Directors of the Company. The transfer of ownership to the subsidiary has not yet been completed until the date of these consolidated financial statements (note 27).

#### (11) INVENTORIES

	2023	2022
	JD	JD
Supplies and equipment	1,151,254	1,174,333
Food and beverages	516,395	638,338
Others	<u>163,893</u>	<u>132,687</u>
	<u>1,831,542</u>	<u>1,945,358</u>
Less:		
Provision for slow moving inventories*	(93,476)	(49,704)
Provision for impairment of inventories**	<u>(720)</u>	<u>(1,032)</u>
	<u>1,737,346</u>	<u>1,894,622</u>



\* Movements on provision for slow moving inventories were as follows:

	2023	2022
	JD	JD
Beginning balance	49,704	68,977
Provision for the year	54,529	22,176
Reversals during the year	<u>(10,757)</u>	<u>(41,449)</u>
Ending balance	<u>93,476</u>	<u>49,704</u>

\*\* Movements on provision for impairment of inventories were as follows:

	2023	2022
	JD	JD
Beginning balance	1,032	1,344
Reversals during the year	<u>(312)</u>	<u>(312)</u>
Ending balance	<u>720</u>	<u>1,032</u>

## (12) OTHER CURRENT

	2023	2022
	JD	JD
Aqaba Special Economic Zone Authority *	1,333,375	1,333,375
Refundable deposits	697,182	691,182
Prepaid expenses	268,098	310,285
Others	<u>882,040</u>	<u>479,221</u>
	<u>3,180,695</u>	<u>2,814,063</u>
Non-current portion	-	1,333,375
Current portion	3,180,695	1,480,688
	<u>3,180,695</u>	<u>2,814,063</u>

\* In 2015, the two subsidiaries (South Coast Real Estate Development Company and South Coast Hotels Company) collectively signed an agreement with Aqaba Special Economic Zone Authority ("ASEZA") to cancel the sale and development agreement made in 2007 with ASEZA for the purchase of a number of land lots. In the agreement signed in 2015, ASEZA promised 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. During 2020, the two subsidiaries agreed with ASEZA to postpone the last instalment due on 1 June 2020 for two years in light of repercussions of COVID-19. On 20 November 2022, the Group has agreed with the Authority to postpone the last instalment to be due at the latest by 30 June 2024.

### (13) ACCOUNTS RECEIVABLE

	2023	2022
	JD	JD
Accounts receivable	3,066,969	4,816,863
Provision for expected credit losses	<u>(1,258,509)</u>	<u>(1,427,769)</u>
	<u>1,808,460</u>	<u>3,389,094</u>

Movements on provision for expected credit losses were as follows:

	2023	2022
	JD	JD
Beginning balance	1,427,769	1,595,224
Provision for the year *	5,550	1,125
Reversals during the year **	(174,810)	(152,407)
Amounts written off during the year	-	<u>(16,173)</u>
Ending balance	<u>1,258,509</u>	<u>1,427,769</u>

\* Provision for the year was allocated to administrative expenses (note 22) in the amount of JD 500 (2022: JD 1,125) and to operating expenses in the amount of JD 5,050 (2022: nil).

\*\* Reversals during the year were added to other income (note 20) in the amount of JD 174,810 (2022: JD 152,407).

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

	Past due but not impaired					Total
	Neither past due nor impaired	1-60 days	61-90 days	91-120 days	More than 120 days	
	JD	JD	JD	JD	JD	
2023	748,997	1,059,463	-	-	-	1,808,460
2022	538,754	2,850,340	-	-	-	3,389,094

Management expects unimpaired receivables to be fully recoverable. The Group does not obtain collateral over these receivables and hence they are unsecured.



#### (14) CASH ON HAND AND AT BANKS

	2023	2022
	JD	JD
Cash on hand	72,414	83,714
Current accounts	12,377,005	12,820,249
Term deposits maturing within 3 months *	20,813,191	11,081,811
Term deposits maturing within 3 to 6 months **	<u>2,000,000</u>	<u>2,000,000</u>
	<u>35,262,610</u>	<u>25,985,774</u>

\*Term deposits are fixed for 1 to 3 months and earn annual interest rate ranging from 4% to 6.5% per annum (2022: 1.9% to 5% per annum).

\*\* Term deposits are fixed for 3 to 6 months and earn annual interest rate of 6.5% per annum (2022: 5% per annum).

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

	2023	2022
	JD	JD
Cash on hand and at banks	35,262,610	25,985,774
Term deposits maturing within 3 to 6 months	<u>(2,000,000)</u>	<u>(2,000,000)</u>
	<u>33,262,610</u>	<u>23,985,774</u>



## (15) EQUITY

### **Paid-in Capital -**

The Company's authorized and paid-in capital is 145,000,000 shares of JD 1 par value each as of 31 December 2023 (2022: JD 150,000,000).

### **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.

### **Accumulated losses write-off -**

The extraordinary general assembly of the company's shareholders decided, in its meeting held on April 18, 2023, to extinguish the entire balance of the company's accumulated losses as of December 31, 2022, amounting to 12,173,704 dinars, by reducing the capital by 5,000,000 dinars, and reducing the balance of the statutory and voluntary reserves by 6,484,208 dinars and 689,496 dinars, respectively. The capital reduction procedures were completed on July 31, 2023.



## (16) LOANS

This item consists of loans utilized from the following parties:

Loans	Interest Rate	Loan ceiling	Un-utilized balance	Agreement date	Number of instalments
		JD	JD		Months
Bank al Etihad – Jordan Hotels and Tourism Co.	3.5%	2,000,000	484,889	2 March 2021	15
Cairo Amman Bank – Jordan Hotels and Tourism Co.	3%	2,000,000	-	8 June 2020	72
Cairo Amman Bank – Jordan Himmeh Mineral Co.	3%	4,000,000	1,041,662	4 September 2019	9
Cairo Amman Bank – Nabatean Hotels Co. 1	3.25%	2,000,000	897,550	25 August 2019	13
Cairo Amman Bank – Nabatean Hotels Co. 2	3%	2,000,000	-	5 July 2020	72
Cairo Amman Bank – Amman Tourism Investment Co. 1	3.5%	2,000,000	-	25 August 2019	13
Cairo Amman Bank – Amman Tourism Investment Co. 2	3%	2,000,000	-	5 July 2020	72
Cairo Amman Bank – National Hotels and Tourism Co. 1	3%	2,000,000	1,179,212	15 March 2021	14
Cairo Amman Bank – National Hotels and Tourism Co. 2	3%	2,000,000	-	5 July 2020	72
Cairo Amman Bank – Red Sea Hotels Co. 1**	3.25%	2,000,000	1,789,695	3 September 2019	11
Cairo Amman Bank – Red Sea Hotels Co. 2	3%	1,700,000	-	5 July 2020	48
Cairo Amman Bank – Zara South Coast Development Co.	3%	1,700,000	-	5 July 2020	48
Less: Unearned government grants (note 17)					
As at 31 December 2023					
As at 31 December 2022					



Due period	Instalment amount	Grace period	Commencement date	Current portion	Non-Current portion	Total
	JD	Months		JD	JD	JD
Semi-annual	133,333	24	30 April 2030	266,666	981,779	1,248,445
Monthly	27,777	48	30 April 2030	222,216	1,777,784	2,000,000
Semi-annual	410,256	72	30 September 2029	-	2,650,644	2,650,644
Semi-annual	153,847	48	30 June 2024	307,694	487,062	794,756
Monthly	27,777	48	30 April 2030	222,216	1,777,784	2,000,000
Semi-annual	153,847	48	30 June 2024	307,694	1,384,610	1,692,304
Monthly	27,777	48	30 April 2030	222,216	1,777,784	2,000,000
Semi-annual	142,857	36	31 January 2025	142,857	677,931	820,788
Monthly	27,777	48	30 April 2030	222,216	1,777,784	2,000,000
Semi-annual	181,818	49	30 June 2029	210,305	-	210,305
Monthly	23,611	48	30 April 2030	188,888	1,511,112	1,700,000
Monthly	23,611	48	30 April 2030	<u>188,888</u>	<u>1,511,064</u>	<u>1,699,952</u>
				2,501,856	16,315,338	18,817,194
				<u>(215,849)</u>	<u>(2,755,487)</u>	<u>(2,971,336)</u>
				<u>2,286,007</u>	<u>13,559,851</u>	<u>15,845,858</u>
				<u>1,095,057</u>	<u>14,192,644</u>	<u>15,287,701</u>



\* On 19 February 2023, the loan ceiling was increased by JD1,000,000 to become JD 4,000,000. On 30 September 2023, the Company settled an instalment of JD 307,694. On 16 October 2023, the loan was rescheduled to increase grace period to become 72 months commencing on 30 September 2025. The loan is then repayable through 9 equal semi-annual instalments each amounting to JD 410,256.

\*\* On 30 May 2023, the loan was rescheduled to increase the grace period to become 49 months and postpone the due date of the first instalment to 30 June 2024. The loan is repayable through 11 semi-annual instalments each amounting to JD 181,818.

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

Year	JD
2025	3,477,984
2026	3,759,914
2027	3,401,335
2028	2,988,799
2029 and thereafter	<u>2,687,306</u>
Total	<u>16,315,338</u>



## (17) OTHER CURRENT LIABILITIES

	2023	2022
	JD	JD
Social Security Corporation deposits *	4,335,084	5,511,915
Unearned government grants**	3,778,965	3,601,438
Accrued expenses	2,737,268	2,644,044
Guest deposits	1,511,996	1,382,260
Deferred grant income ***	999,984	1,199,984
Contractors' accruals and retentions	185,622	653,923
Cooling units	216,753	201,089
Sales tax deposits	35,715	37,192
Others	<u>729,480</u>	<u>543,348</u>
	<u>14,530,867</u>	<u>15,775,193</u>
Non-current portion	6,618,204	8,861,420
Current portion	<u>7,912,663</u>	<u>6,913,773</u>
	<u>14,530,867</u>	<u>15,775,193</u>

\* This item represents deposits from Social Security Corporation in order to benefit from "Hemaya" program which was implemented by the Group following the mandate of Defense Order No. (14) and (24). An agreement for repayment was signed with the Social Security Corporation, the amount is repayable in 35 equal monthly instalments of JD 183,777 each commencing on 1 June 2023 and ending on 1 April 2026.

\*\* This item represents the discounted balance of deposits from Social Security Corporation and loan facilities backed by the Central Bank of Jordan to reinforce tourism sector that was impacted by COVID-19 pandemic of an amount of JD 807,629 and 2,971,336, respectively. These facilities were granted with below-market interest rates. This balance will be amortized over the duration of the granted facilities.

\*\*\* This item represents a grant amounting to USD 2,824,859 (JD 2,000,000) which Amman Tourism Investment Company (a Subsidiary) received from Hyatt Hotels Corporation in January 2019 as an incentive to renew the Management Agreement. The grant was recorded as deferred income and to be amortized over ten years as per the agreement. During 2023, an amount of JD 199,997 was recognized within other income (note 20) in the consolidated statement of profit or loss (2022: JD 199,997).



#### (18) OTHER PROVISIONS

2023 -	Legal claims	Employees' benefits	Other provisions	Total
	JD	JD	JD	JD
Beginning balance	9,851	328,577	-	338,428
Provision for the year	-	24,257	45,000	69,257
Paid during the year	<u>-</u>	<u>(143,762)</u>	<u>-</u>	<u>(143,762)</u>
Ending balance	<u>9,851</u>	<u>209,072</u>	<u>45,000</u>	<u>263,923</u>

2022 -	Legal claims	Employees' benefits	Other provisions	Total
	JD	JD	JD	JD
Beginning balance	109,851	268,468	388,796	767,115
Provision for the year	-	90,864	-	90,864
Recovered from provision (note 20)	(7,509)	(2,610)	(388,796)	(398,915)
Paid during the year	<u>(92,491)</u>	<u>(28,145)</u>	<u>-</u>	<u>(120,636)</u>
Ending balance	<u>9,851</u>	<u>328,577</u>	<u>-</u>	<u>338,428</u>



## (19) SEGMENT INFORMATION

The primary reporting segments were determined based on the risks and rewards for the Group which is substantially affected by the segments' products and services. These segments are organized and operated separately in accordance with the nature of its products and services and used by the Chief Executive Officer and the 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.

	Hotels Segment *	Other Segments	Eliminations	Total
	JD	JD	JD	JD
<b>2023 -</b>				
Operating revenues	70,534,310	2,193,870	(834,963)	71,893,217
Operating expenses	<u>(54,225,304)</u>	<u>(1,415,735)</u>	<u>834,963</u>	<u>(54,806,076)</u>
<b>Net operating revenues</b>	<u>16,309,006</u>	<u>778,135</u>	<u>-</u>	<u>17,087,141</u>

### Other information –

Segment assets	222,578,120	58,625,223	(70,677,262)	210,526,081
Segment liabilities	81,795,305	31,432,992	(70,677,262)	42,551,035
Depreciation	8,574,536	22,330	-	8,596,866
Provision for expected credit losses	5,050	500	-	5,550
Interest income	909,786	7,831	-	917,617
Finance costs	1,045,010	-	-	1,045,010
Capital expenditures	4,923,472	19,462	-	4,942,934
Segment non-current assets	157,810,104	10,726,866	-	168,536,970



\* Hotels' net operating revenues consist of the following:

	Hotel InterContinental Jordan	Grand Hyatt Amman	Dead Sea Movenpick Resort	Petra Movenpick Hotel	Aqaba Movenpick Resort	Nabatean Castle Movenpick Hotel	Tala Bay Movenpick Resort	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>Operating revenues -</b>								
Rooms revenue	7,294,457	5,956,786	7,727,953	6,978,779	5,387,569	1,597,981	6,224,433	41,167,958
Food and beverage revenue	6,748,751	4,052,146	5,472,731	3,440,072	2,396,077	677,045	2,774,178	25,561,000
Other department revenue	<u>799,893</u>	<u>671,791</u>	<u>1,518,606</u>	<u>281,059</u>	<u>145,227</u>	<u>6,644</u>	<u>382,132</u>	<u>3,805,352</u>
	<u>14,843,101</u>	<u>10,680,723</u>	<u>14,719,290</u>	<u>10,699,910</u>	<u>7,928,873</u>	<u>2,281,670</u>	<u>9,380,743</u>	<u>70,534,310</u>
<b>Operating expenses -</b>								
Rooms expenses	1,521,677	1,167,551	1,527,115	1,043,606	1,037,014	301,719	1,129,501	7,728,183
Food and beverage expenses	4,727,560	2,914,578	3,330,808	2,238,026	1,696,193	559,666	2,009,314	17,476,145
Other departments expenses	558,905	153,569	831,115	82,770	302,462	288	483,362	2,412,471
Administrative and marketing expenses	<u>5,060,922</u>	<u>4,505,023</u>	<u>5,498,197</u>	<u>3,028,058</u>	<u>3,520,347</u>	<u>834,763</u>	<u>4,161,195</u>	<u>26,608,505</u>
	<u>11,869,064</u>	<u>8,740,721</u>	<u>11,187,235</u>	<u>6,392,460</u>	<u>6,556,016</u>	<u>1,696,436</u>	<u>7,783,372</u>	<u>54,225,304</u>
Net operating revenue	<u>2,974,037</u>	<u>1,940,002</u>	<u>3,532,055</u>	<u>4,307,451</u>	<u>1,372,856</u>	<u>585,234</u>	<u>1,597,371</u>	<u>16,309,006</u>



2022 -	Hotels Segment *	Other Segments	Eliminations	Total
	JD	JD	JD	JD
Operating revenues	64,066,812	2,074,840	(903,420)	65,238,232
Operating expenses	<u>(49,368,130)</u>	<u>(1,397,688)</u>	<u>903,420</u>	<u>(49,862,398)</u>
<b>Net operating revenues</b>	<u>14,698,682</u>	<u>677,152</u>	<u>-</u>	<u>15,375,834</u>
<b>Other information -</b>				
Segment assets	212,614,152	57,848,168	(64,320,292)	206,142,028
Segment liabilities	82,936,468	25,317,222	(64,320,292)	43,933,398
Depreciation	8,371,750	29,701	-	8,401,451
Provision for expected credit losses	1,125	-	-	1,125
Interest income	209,336	24,785	-	234,121
Finance costs	861,438	162,353	-	1,023,791
Capital expenditures	5,418,966	41,258	-	5,460,224
Non-current assets	159,260,021	14,131,829	-	173,391,850



\* Hotels' net operating revenues consist of the following:

Hotel InterContinental Jordan	Grand Hyatt Amman	Dead Sea Movenpick Resort	Petra Movenpick Hotel	Aqaba Movenpick Resort	Nabatean Castle Movenpick Hotel	Tala Bay Movenpick Resort	Total
JD	JD	JD	JD	JD	JD	JD	JD

**Operating revenues -**

Rooms revenue	6,665,435	5,392,892	6,700,131	6,086,733	5,153,449	781,032	6,590,271	37,369,943
Food and beverage revenue	6,201,221	4,108,805	4,559,533	3,043,421	2,154,489	323,522	2,963,488	23,354,479
Other departments revenue	<u>751,591</u>	<u>686,867</u>	<u>1,243,230</u>	<u>187,825</u>	<u>123,315</u>	<u>3,701</u>	<u>345,861</u>	<u>3,342,390</u>
	<u>13,618,247</u>	<u>10,188,564</u>	<u>12,502,894</u>	<u>9,317,979</u>	<u>7,431,253</u>	<u>1,108,255</u>	<u>9,899,620</u>	<u>64,066,812</u>

**Operating expenses -**

Rooms expenses	1,445,424	1,156,438	1,237,704	850,754	905,965	161,243	1,024,607	6,782,135
Food and beverage expenses	4,338,328	2,829,457	2,673,873	1,824,717	1,558,105	274,512	1,904,961	15,403,953
Other departments expenses	539,349	186,449	770,108	64,463	247,103	91	412,761	2,220,324
Administrative and marketing expenses	<u>5,020,316</u>	<u>4,452,766</u>	<u>4,793,218</u>	<u>2,730,953</u>	<u>3,368,435</u>	<u>579,609</u>	<u>4,016,421</u>	<u>24,961,718</u>
	<u>11,343,417</u>	<u>8,625,110</u>	<u>9,474,903</u>	<u>5,470,887</u>	<u>6,079,608</u>	<u>1,015,455</u>	<u>7,358,750</u>	<u>49,368,130</u>
Net operating revenue	<u>2,274,830</u>	<u>1,563,454</u>	<u>3,027,991</u>	<u>3,847,092</u>	<u>1,351,645</u>	<u>92,800</u>	<u>2,540,870</u>	<u>14,698,682</u>



## (20) OTHER INCOME

	2023	2022
	JD	JD
Rental income, net	394,959	353,052
Grant income (note 17)	199,997	199,997
Reversal of provision for expected credit losses (note 13)	174,810	152,407
Dividend	36,418	-
Gain on sale and disposal of property and equipment	11,296	58,167
Reversal of other provisions (note 18)	-	398,915
Reversal of other credit balances	-	46,200
Others	<u>162,390</u>	<u>116,667</u>
	<u>979,870</u>	<u>1,325,405</u>

## (21) FINANCE COSTS

	2023	2022
	JD	JD
Interest expense on lease obligations (Note 6)	529,494	555,020
Bank interest expense	498,920	438,738
Others	<u>16,596</u>	<u>30,033</u>
	<u>1,045,010</u>	<u>1,023,791</u>



## (22) ADMINISTRATIVE EXPENSES

	2023	2022
	JD	JD
Salaries and wages	1,026,995	983,708
Insurance	290,071	301,512
Boards of directors' transportation	256,753	192,082
Rent	213,368	167,123
Professional fees	171,902	185,501
Property tax	178,696	179,889
Social security	131,874	136,099
Subscriptions	46,269	54,347
Water and electricity	45,286	33,607
Governmental expenses	43,588	34,468
Withholding tax	29,331	26,397
Postage and telephone	28,545	28,301
Donations	25,411	16,241
Maintenance	21,865	14,984
Security	17,976	19,800
Travel and transportation	6,700	9,360
Advertising and marketing	6,575	4,984
Bank commissions and charges	6,283	27,261
Hospitality	3,465	6,616
(Provision for expected credit losses (note 13	500	1,125
Termination of lease agreement	-	175,000
Termination of fixed-term contracts	-	175,000
Others	<u>97,944</u>	<u>179,515</u>
	<u>2,649,397</u>	<u>2,952,920</u>



### (23) INCOME TAX

The income tax provision represents income tax due on the results of operations for some of the Company's subsidiaries. No income tax provision was calculated for the Company and a number of its subsidiaries for 2023 and 2022, due to the excess of deductible expenses over taxable revenues, or due to accumulated losses from prior years, in accordance with Income Tax Law No. (34) of 2014 and its amendments, Investment Commission Law No. (30) of 2014 and Aqaba Special Economic Zone Authority Law No. (32) of 2000.

#### Income tax, net -

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

	2023	2022
	JD	JD
Current year income tax	406,190	18,439
Prior years' income tax	11,523	55,292
Deferred tax liabilities	658,260	1,137,764
Deferred tax benefits	<u>(213,442)</u>	<u>(290,934)</u>
	<u>862,531</u>	<u>920,561</u>

#### Provision for income tax -

Movement on provision for income tax were as follows:

	2023	2022
	JD	JD
Beginning balance	68,653	83,812
Income tax for the year	406,190	18,439
Prior years' income tax	11,523	55,292
Recovered from provision	(2,152)	-
Income tax paid	<u>(253,181)</u>	<u>(88,890)</u>
Ending balance	<u>231,033</u>	<u>68,653</u>



The Company and its subsidiaries submitted their tax declarations to the Income Tax department and Aqaba Special Economic Zone Authority (ASEZA) up to the year 2022.

Company	Year of last clearance (or sampling system acceptance):	
	Income and Sales Tax Department	Aqaba Special Economic Authority
Jordan Hotels and Tourism Co. PLC	2018	-
Jordan Himmeh Mineral Co. PLC	2021	-
Nabatean Hotels Co. LLC	2018	-
Amman Tourism Investment Co. LLC	2019	-
Rum Hotels and Tourism Co. LLC	2021	-
Oasis Hotels Co. LLC	2021	-
National Hotels and Tourism Co. LLC	2020	-
Jordan Hotel Supplies Trading Co. LLC	2019	2019
Red Sea Hotels Co. LLC	-	2020
South Coast Real Estate Development Co. LLC	-	2020
South Coast Hotels Co. LLC	-	2020
Zara South Coast Development Co. LLC	-	2020
Zara Agricultural Services and Marketing Co. LLC	2019	2018
Himmeh Solar Power Co. LLC	2020	-
Zara Investment (Holding) Co. PSC	2020	-

Reconciliation between accounting profit and taxable (income) is as follows:

	2023	2022
	JD	JD
Accounting profit before income tax	6,580,638	4,485,919
Profit of the Company and some subsidiaries	106,891	306,457
Carried forward losses	(4,564,854)	(7,652,077)
Non-taxable income	(3,093,649)	(1,889,997)
Depreciation differences	97,042	311,487
Non-deductible expenses	<u>3,558,021</u>	<u>3,443,670</u>
<b>Taxable income (loss)</b>	<u>2,684,089</u>	<u>(994,541)</u>
Income tax expense	<u>406,190</u>	<u>-</u>
<b>Statutory income tax rate</b>	6% - 21%	6% - 21%
<b>Effective income tax rate</b>	6.2%	-

### Deferred tax assets -

Deferred tax assets represent the estimated tax effect of accumulated tax losses carried forward pertaining to number of subsidiaries, expected to result in future tax benefits.

Movements on deferred tax assets were as follows:

	2023	2022
	JD	JD
Beginning balance	4,145,777	5,048,749
Tax effect of accumulated tax losses carried forward	193,173	232,559
Tax effect of accumulated tax losses released	(650,465)	(1,135,531)
Ending balance	<u>3,688,485</u>	<u>4,145,777</u>

The below subsidiaries recorded deferred tax assets against accumulated losses carried forward expected to result in future tax benefits. Movements on accumulated tax losses were as follows:

	2023					2022
	Beginning Balance	Losses Added	Losses Released	Ending Balance	Deferred Tax	
	JD	JD	JD	JD	JD	
Jordan Hotels & Tourism Co.	5,258,009	-	(508,930)	4,749,079	997,307	1,104,182
Nabatean Hotels Co.	621,766	-	(621,766)	-	-	68,394
Amman Tourism Investment Co.	10,167,411	919,870	-	11,087,281	2,328,329	2,135,156
National Hotels & Tourism Co.	1,809,670	-	(1,809,670)	-	-	199,064
Red Sea Hotels Co.	1,518,021	-	(798,524)	719,497	43,170	91,081
Zara South Coast Development Co.	<u>9,131,647</u>	<u>-</u>	<u>(3,803,683)</u>	<u>5,327,964</u>	<u>319,679</u>	<u>547,900</u>
	<u>28,506,524</u>	<u>919,870</u>	<u>(7,542,573)</u>	<u>21,883,821</u>	<u>3,688,485</u>	<u>4,145,777</u>



### 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.

Movements on deferred tax liabilities were as follows:

	2023 JD	2022 JD
Beginning balance	237,056	308,973
Change in fair value of financial assets (note 9)	2,676	(15,775)
Depreciation differences related to machinery and equipment and computer hardware and software, net	<u>(12,473)</u>	<u>(56,142)</u>
Ending balance	<u>227,259</u>	<u>237,056</u>

### (24) BASIC AND DILUTED EARNINGS PER SHARE

	2023 JD	2022 JD
Profit attributable to equity owners of the Company (JD)	5,405,693	3,630,713
Weighted average number of shares (Share)	<u>145,000,000</u>	<u>145,000,000</u>
Basic earnings per share (JD/Fils)	<u>0/037</u>	<u>0/025</u>

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

### (25) CONTINGENT LIABILITIES

The Group has outstanding bank guarantees of JD 167,541 as at 31 December 2023 (2022: JD 149,096).

### (26) LITIGATIONS

In the normal course of business, the Group appears as a defendant in a number of lawsuits amounting to JD 172,939 as of 31 December 2023 (2022: JD 264,874). Management and the legal advisor believe that the Group's holds a strong position against these lawsuits and no need for any provision except for what has been recorded. The Group is plaintiff in lawsuits against others in the amount of JD 807,835 as at 31 December 2023 (2022: JD 807,835).



## (27) RELATED PARTY TRANSACTIONS

The consolidated financial statements comprise the financial statements of the Company and its following subsidiaries (all are operating in Jordan):

	Paid-in Capital		Principal Activities	Ownership	
	2023	2022		2023	2022
	JD	JD		%	%
Jordan Hotels and Tourism Co. PLC	10,000,000	10,000,000	Hotel InterContinental Jordan	51.6	51.6
Jordan Himmeh Mineral Co. PLC	7,452,202	2,000,000	Himmeh Resort	94	77.8
Nabatean Hotels Co. LLC	3,300,000	3,300,000	Nabatean Castle Hotel and Petra Movenpick Hotel	100	100
Amman Tourism Investment Co. LLC	16,500,000	16,500,000	Grand Hyatt Amman Hotel, Hyatt Tower and Zara Center	100	100
Rum Hotels and Tourism Co. LLC	700,000	700,000	Tourism Project –Wadi Mousa	82.1	82.1
Oasis Hotels Co. LLC	1,600,000	1,600,000	Tourism Project - Dead Sea	92.2	92.2
National Hotels and Tourism Co. LLC	15,000,000	15,000,000	Dead Sea Movenpick Hotel	100	100
Jordan Hotel Supplies Trading Co. LLC	330,000	330,000	Gift Shops	100	100
Red Sea Hotels Co. LLC	17,000,000	17,000,000	Aqaba Movenpick Hotel	100	100
Zara Agricultural Co. LLC - Liquidated	100,000	-	Plants	-	54.3
South Coast Real Estate Development Co. LLC	10,050,000	10,050,000	Tourism Project - Aqaba	82	82
South Coast Hotels Co. LLC	4,800,000	4,800,000	Tourism Project - Aqaba	82	82
Zara South Coast Development Co. LLC	39,425,503	39,425,503	Tala Bay Movenpick Hotel - Aqaba	84.8	84.8
Zara Agricultural Services and Marketing Co. LLC	61,000	61,000	Plant maintenance	100	100
Himmeh Solar Power Co. LLC	24,000	24,000	Solar power electricity generation	93.6	93.6

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.



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

	Nature of the relationship	2023	2022
		JD	JD
<b>Non-Current assets-</b>			
Advance payments for land purchases (Note 10)	Chairman of Board of Directors	<u>111,200</u>	<u>111,200</u>
<b>Current assets-</b>			
Cash at banks -			
Arab Bank, Bank Al - Etihad and Cairo Amman Bank	Shareholders	<u>35,188,085</u>	<u>25,892,336</u>
Accounts receivable-			
Amounts due from Cairo Amman Bank	Shareholder	<u>1,747</u>	<u>16,765</u>
<b>Non-current liabilities -</b>			
Loans -			
Cairo Amman Bank and Bank Al - Etihad	Shareholders	<u>16,315,338</u>	<u>16,812,976</u>
<b>Current liabilities-</b>			
Current portion of long-term loans -			
Cairo Amman Bank	Shareholder	<u>2,501,856</u>	<u>1,155,831</u>



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

	Nature of the relationship	2023	2022
		JD	JD
Interest income – Cairo Amman Bank and Bank Al - Etihad	Shareholders	<u>917,617</u>	<u>234,121</u>
Rent income – Cairo Amman Bank	Shareholder	<u>78,213</u>	<u>96,157</u>
Finance costs – Cairo Amman Bank	Shareholder	<u>498,920</u>	<u>438,738</u>
Rent expense – Astra Investment Company	Owned by Chairman and Vice-Chairman of the Group	<u>147,368</u>	<u>147,368</u>

Key management personnel compensation (Salaries, compensation and other benefits) is as follows:

	2023	2022
	JD	JD
Salaries, compensation and other benefits	<u>211,500</u>	<u>197,500</u>
Boards of directors' remuneration and transportation	<u>301,753</u>	<u>192,082</u>



### (30) 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:

2023 -	Jordan Hotels & Tourism Co. PSC	Jordan Himmeh Mineral Co. PSC	Rum Hotels & Tourism Co. LLC	Oasis Hotels Co. LLC
<b>Group's ownership percentage</b>	51.6%	94%	82.1%	92.2%
<b>Country of incorporation and operation</b>	Jordan	Jordan	Jordan	Jordan
<b>Accumulated balance of non-controlling interests (JD)</b>	11,649,567	441,678	68,466	47,252
<b>Non-controlling interests share of profit (loss) (JD)</b>	212,317	140	(538)	(400)
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
<b>Condensed statement of financial position:</b>				
Current assets	7,732,670	5,654,691	5,048	58,230
Non-current assets	25,899,680	4,515,895	625,651	548,788
Current liabilities	(4,247,800)	(151,979)	(247,289)	(2,192)
Non-current liabilities	(5,293,116)	(2,650,644)	-	-
Equity	<u>24,091,424</u>	<u>7,367,963</u>	<u>383,410</u>	<u>604,826</u>
<b>Attributable to:</b>				
Shareholders of the parent	12,441,867	6,926,285	314,944	557,574
Non-controlling interests	11,649,567	441,678	68,466	47,252
<b>Condensed statement of profit or loss:</b>				
Revenues	15,132,567	-	-	-
Expenses	(14,656,253)	(19,401)	(3,015)	(5,117)
Other revenues	345,480	109,136	3	3
Finance cost	(268,050)	(87,400)	-	-
(Loss) profit before income tax	553,744	2,335	(3,012)	(5,114)
Income tax expense	(114,671)	-	-	-
<b>(Loss) profit for the year</b>	<u>439,073</u>	<u>2,335</u>	<u>(3,012)</u>	<u>(5,114)</u>
<b>Other comprehensive income</b>	<u>439,073</u>	<u>2,335</u>	<u>(3,012)</u>	<u>(5,114)</u>
Attributable to non-controlling interests	<u>212,317</u>	<u>140</u>	<u>(538)</u>	<u>(400)</u>
<b>Profit distributions to non-controlling interests</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Condensed statement of cash flows:</b>				
Operating activities	2,255,005	(377,532)	(3,282)	(5,385)
Investing activities	(834,623)	89,608	(13,997)	(13,997)
Financing activities	(283,021)	5,353,228	21,221	20,511
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>1,137,361</u>	<u>5,065,304</u>	<u>3,942</u>	<u>1,129</u>





Zara Agricultural Co. LLC	South Coast Real Estate Development Co. LLC	South Coast Hotels Co. LLC	Zara South Coast Development Co. LLC	Himmeh Solar Power Co. LLC	Total
54.3%	82%	82%	84.8%	93.6%	JD
Jordan	Jordan	Jordan	Jordan	Jordan	
-	1,736,307	719,658	3,898,669	391	18,561,988
-	(909)	(796)	102,793	(193)	312,414
JD	JD	JD	JD	JD	JD
-	4,791,429	1,863,464	8,455,268	252,242	28,813,042
-	4,856,662	2,137,402	21,499,452	115	60,083,645
-	(1,943)	(2,764)	(2,098,730)	(246,212)	(6,998,909)
-	-	-	(2,238,159)	-	(10,181,919)
-	<u>9,646,148</u>	<u>3,998,102</u>	<u>25,617,831</u>	<u>6,145</u>	<u>71,715,859</u>
-	7,909,841	3,278,444	21,719,162	5,754	53,153,871
-	1,736,307	719,658	3,898,669	391	18,561,988
-	-	-	9,380,743	-	24,513,310
-	(5,051)	(4,427)	(8,625,528)	(3,034)	(23,321,826)
-	2	4	223,077	-	677,705
-	-	-	(75,260)	-	(430,710)
-	(5,049)	(4,423)	903,032	(3,034)	1,438,479
-	-	-	(227,590)	-	(342,261)
-	<u>(5,049)</u>	<u>(4,423)</u>	<u>675,442</u>	<u>(3,034)</u>	<u>1,096,218</u>
-	<u>(5,049)</u>	<u>(4,423)</u>	<u>675,442</u>	<u>(3,034)</u>	<u>1,096,218</u>
-	<u>(909)</u>	<u>(796)</u>	<u>102,793</u>	<u>(193)</u>	<u>312,414</u>
-	-	-	-	-	-
-	(6,364)	(5,019)	1,979,410	(63,243)	3,773,590
-	2	4	(332,138)	-	(1,105,141)
-	<u>6,810</u>	<u>8,464</u>	<u>(268,590)</u>	<u>53,634</u>	<u>4,912,257</u>
-	<u>448</u>	<u>3,449</u>	<u>1,378,682</u>	<u>(9,609)</u>	<u>7,580,706</u>



2022 -	Jordan Hotels & Tourism Co. PSC	Jordan Himmeh Mineral Co. PSC	Rum Hotels & Tourism Co. LLC	Oasis Hotels Co. LLC
<b>Group's ownership percentage</b>	51.6%	77.8%	82.1%	92.2%
<b>Country of incorporation and operation</b>	Jordan	Jordan	Jordan	Jordan
<b>Accumulated balance of non-controlling interests (JD)</b>	11,437,250	438,763	69,004	47,651
<b>Non-controlling interests share of (loss) profit (JD)</b>	(298,657)	1,427	(507)	(286)

	JD	JD	JD	JD
<b>Condensed statement of financial position:</b>				
Current assets	6,739,808	577,032	1,106	77,611
Non-current assets	26,361,276	4,501,793	611,651	534,788
Current liabilities	(4,171,236)	(1,035,349)	(226,335)	(2,459)
Non-current liabilities	(5,277,499)	(2,063,624)	-	-
Equity	<u>23,652,349</u>	<u>1,979,852</u>	<u>386,422</u>	<u>609,940</u>
<b>Attributable to:</b>				
Shareholders of the Company	12,215,099	1,541,089	317,418	562,289
Non-controlling interests	11,437,250	438,763	69,004	47,651

<b>Condensed statement of profit or loss:</b>				
Revenues	13,895,225	-	-	-
Expenses	(14,549,346)	(14,934)	(2,841)	(3,666)
Other revenues	270,510	21,372	2	2
Finance cost	(247,425)	-	-	-
(Loss) profit before income tax	(631,036)	6,438	(2,839)	(3,664)
Income tax expense	<u>13,408</u>	-	-	-
<b>(Loss) profit for the year</b>	<u>(617,628)</u>	<u>6,438</u>	<u>(2,839)</u>	<u>(3,664)</u>
<b>Other comprehensive income</b>	<u>(617,628)</u>	<u>6,438</u>	<u>(2,839)</u>	<u>(3,664)</u>
Attributable to non-controlling interests	<u>(298,657)</u>	<u>1,427</u>	<u>(507)</u>	<u>(286)</u>
<b>Profit distributions to non-controlling interests</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Condensed statement of cash flows:</b>				
Operating activities	2,210,634	438,580	(1,901)	(2,726)
Investing activities	(2,805,694)	(1,822,639)	2	2
Financing activities	<u>642,159</u>	<u>1,015,699</u>	<u>27</u>	<u>5,042</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>47,099</u>	<u>(368,360)</u>	<u>(1,872)</u>	<u>2,318</u>



Zara Agricultural Co. LLC	South Coast Real Estate Development Co. LLC	South Coast Hotels Co. LLC	Zara South Coast Development Co. LLC	Himmeh Solar Power Co. LLC	Total
54.3%	82%	82%	84.8%	93.6%	JD
Jordan	Jordan	Jordan	Jordan	Jordan	
62,868	1,737,216	720,454	3,795,877	584	18,309,667
(595)	(854)	(712)	235,016	(187)	(65,355)

JD	JD	JD	JD	JD	JD
141,774	3,706,182	1,622,364	7,296,386	159,625	20,321,888
-	5,946,771	2,382,738	22,046,164	346	62,385,527
(4,328)	(1,756)	(2,577)	(1,592,971)	(150,793)	(7,187,804)
-	-	-	(2,807,190)	-	(10,148,313)
<u>137,446</u>	<u>9,651,197</u>	<u>4,002,525</u>	<u>24,942,389</u>	<u>9,178</u>	<u>65,371,298</u>
74,578	7,913,981	3,282,071	21,146,512	8,594	47,061,631
62,868	1,737,216	720,454	3,795,877	584	18,309,667

-	-	-	9,899,619	-	23,794,844
(1,350)	(4,745)	(3,958)	(8,207,836)	(2,922)	(22,791,598)
50	2	2	61,025	-	352,965
-	-	-	(54,126)	(12)	(301,563)
(1,300)	(4,743)	(3,956)	1,698,682	(2,934)	1,054,648
-	-	-	(154,410)	-	(141,002)
<u>(1,300)</u>	<u>(4,743)</u>	<u>(3,956)</u>	<u>1,544,272</u>	<u>(2,934)</u>	<u>913,646</u>
<u>(1,300)</u>	<u>(4,743)</u>	<u>(3,956)</u>	<u>1,544,272</u>	<u>(2,934)</u>	<u>913,646</u>
<u>(595)</u>	<u>(854)</u>	<u>(712)</u>	<u>235,016</u>	<u>(187)</u>	<u>(65,355)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(5)	(3,995)	(3,208)	2,568,175	2,706	5,208,260
50	2	2	(367,119)	-	(4,995,394)
-	<u>4,109</u>	<u>3,323</u>	<u>(935,869)</u>	<u>(5,227)</u>	<u>729,263</u>
<u>45</u>	<u>116</u>	<u>117</u>	<u>1,265,187</u>	<u>(2,521)</u>	<u>942,129</u>



## (29) RISK MANAGEMENT

The Group is exposed to interest rate risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a credit risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group.

The management of the group reviews and approves policies regarding the management of each of these risks, which are summarized below:

### Interest rate risk -

Interest rate risk is a risk which arises from the fluctuations in the fair values or future cash flows of financial instruments due to the changes in interest rates on these instruments.

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:

2023 -	Increase in interest rate	Effect on profit for the year before income tax
	(Basis Points)	JD
JD	75	29,970

2022 -	Increase in interest rate	Effect on loss for the year before income tax
	(Basis Points)	JD
JD	75	(36,652)

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 Group's equity price risk exposure relates to fluctuation of financial assets as a result of changes in market prices. The group manages these risks by analyzing exposure to losses and diversifying investment portfolios.

The following table demonstrates the sensitivity of the consolidated statement of 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:

2023 -	Increase in market index	Effect on the consolidated statement of comprehensive income and equity
	(%)	JD
Amman Stock Exchange	10	336,489

2022 -	Increase in market index	Effect on the consolidated statement of comprehensive income and equity
	(%)	JD
Amman Stock Exchange	10	331,390

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 risks that may results from the failure or inability of debtors or other parties to fulfil their obligations.

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The Group maintains its bank balances and deposits with reputable financial institutions.

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 2023 and 2022.



### Liquidity risk –

Liquidity risk is represented by the possibility that the Group may not be able to meet its obligation when due. The Group manages its liquidity risk by seeking adequate funding from shareholders.

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

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

As at 31 December 2023	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	JD	JD	JD	JD	JD
Accounts payable and other liabilities	10,848,747	2,633,133	17,368,547	2,687,306	33,537,733
Lease obligations	288,354	1,076,925	4,943,838	2,594,943	8,904,060
Loans	-	<u>2,581,077</u>	<u>14,049,154</u>	<u>2,768,696</u>	<u>19,398,927</u>
Total	<u>11,137,101</u>	<u>6,291,135</u>	<u>36,361,539</u>	<u>8,050,945</u>	<u>61,840,720</u>

As at 31 December 2022	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	JD	JD	JD	JD	JD
Accounts payable and other liabilities	11,664,904	1,562,311	7,633,278	1,132,853	21,993,346
Lease obligations	324,694	1,257,736	6,246,103	3,518,479	11,347,012
Loans	-	<u>1,194,254</u>	<u>14,699,822</u>	<u>2,630,602</u>	<u>18,524,678</u>
Total	<u>11,989,598</u>	<u>4,014,301</u>	<u>28,579,203</u>	<u>7,281,934</u>	<u>51,865,036</u>

### Currency risk -

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

### (30) FAIR VALUE OF FINANCIAL INSTRUMENTS

Some of the group's financial assets are valued at fair value at the end of each financial period, and the following table shows information on how to determine the fair value of these financial assets (valuation methods and inputs used).

Level 1: The market prices announced in the active markets of the same financial instruments.

Level 2: Valuation methods based on inputs that affect the fair value and can be observed directly or indirectly in the market.

Level 3: Valuation techniques that are based on inputs that affect the fair value and are not directly or indirectly observable in the market.

31 December 2023			
Level 1	Level 2	Level 3	Total
JD	JD	JD	JD

Financial assets at fair value through other comprehensive income:

Quoted	<u>688,294</u>	<u>-</u>	<u>2,676,594</u>	<u>3,364,888</u>
	<u>688,294</u>	<u>-</u>	<u>2,676,594</u>	<u>3,364,888</u>

31 December 2022			
Level 1	Level 2	Level 3	Total
JD	JD	JD	JD

Financial assets at fair value through other comprehensive income:

Quoted	<u>637,309</u>	<u>-</u>	<u>2,676,594</u>	<u>3,313,903</u>
	<u>637,309</u>	<u>-</u>	<u>2,676,594</u>	<u>3,313,903</u>

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. The extraordinary general assembly of the company's shareholders decided, in its meeting held on April 18, 2023, to extinguish the entire balance of the company's accumulated losses as of December 31, 2022, amounting to 12,173,704 dinars, by reducing the capital by 5,000,000 dinars, and reducing the balance of the statutory and voluntary reserves by 6,484,208 dinars and 689,496 dinars, respectively.

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 149,413,058 as at 31 December 2023 (2022: JD 143,898,963).

### (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 Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

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

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

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





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

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

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

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

### **Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

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

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

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




### **(33) COMPARATIVE FIGURES**

Some of 2022 figures have been reclassified in order to conform with the presentation of 2023 figures. Such reclassification did not affect previously reported profit or equity for the year 2022.



## Board of Directors' 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 to the General Assembly

### Recommendations to the Ordinary General Assembly

1. Recitation of the 29th ordinary general assembly report held on 18/04/2023 and its approval.
2. Voting on the Board of Directors report for the year ended 31/12/2023 and its approval.
3. Voting on the Company's consolidated financial statements for the year ended 31/12/2023 and its approval.
4. Release of the Board of Directors for the year ended 31/12/2023 in accordance with the law.
5. Election of the Company's independent auditors for the year ended 31/12/2024 and determination of their fees, or otherwise authorizing the Board of Directors to do so.
6. Election of the Company's Board of Directors for the next period 2024-2028.

### Board of Directors

