



Zara Investment Holding
شركة زارة للاستثمار القابضة



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Zara Investment (Holding) Company PSC

29th Annual Report 2022

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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

Ezzeddin Mohamed M Elghoul
Member / Representing
Libyan Foreign Investments Company

Buthayna M. M. Mahadeen
Member / Representing
Social Security Corporation from 24/5/2022

Ra'ed Abdelhadi Abdallah Alawin
Member / Representing
Social Security Corporation till 23/5/2022

Isam Halim Jeries Salfiti
Member / Representing Bank Al-Etihad

Mahmoud Suleiman Fares Maaytah
Member / Representing
Rama Investment & Saving Company

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

Hilal Omar Mustafa Abu Zeid
Member

Samir Said Abdel-Muti Murad
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 29th annual meeting of the ordinary general assembly of the shareholders of Zara Investment (Holding) Company which shows the Company's activities and achievements in 2022 and its consolidated financial statements for the year 2022, as well as its outlook and plans for 2023.

In 2022, the tourism sector recorded a success story in all respects, and was able to overcome the repercussions of the Corona pandemic that affected it negatively during the past two years. The increase in number of tourists and tourism income exceeded expectations. The tourism sector is back to right track towards recovery and has improved greatly at all levels. This improvement became obvious after April 2022, and the results from May 2022 forward were comparable to 2019 for all areas of operations except Amman, where the five-star hotels continued to suffer low average room and occupancy rates. This is due to the increase in the supply of number of rooms over demand, which in turn led to a negative impact on all five-star hotels in Amman.

As for Zara, the 2022 financial results will be compared with the years 2021 and 2019, in order to measure the performance prior to the Corona pandemic. Consolidated operating revenues increased by 96% in 2022 to reach JD 65.2 million compared with JD 33.4 million in 2021 (JD 73.8 million in 2019) which led to an increase in net operating revenues by 551% to reach JD 15.4 million in 2022 compared with JD 2.4 million in 2021 (JD 18.5 million in 2019). Consolidated net profit improved in 2022 to reach JD 3.6 million compared with JD 6.9 million net loss in 2021 (JD 6.7 million net profit in 2019). The positive results are attributed to outstanding pick up of the domestic and foreign tourism compared to the previous year. However, is still below 2019 performance. Comprehensive Income improved by 137% in 2022 to reach JD 2.6 million compared with JD 6.9 million loss in 2021 (JD 6.8 million profit in 2019).

The performance of five-star hotels in Jordan during 2022 indicates an increase by 76% in terms of revenues compared with the previous year to reach JD 231 million and the operating profit increased by 208% in 2022 to reach JD 61 million compared with JD 131 and 20 million in 2021, and JD 240 and 59 million in 2019 respectively.

Zara is one of the leading investment companies in the hospitality sector and has maintained its distinguished market position 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 11,311 persons in 2022 of which Zara employs approximately 18%, while employment in the hospitality sector reached 54,447 in 2022 of which Zara employs approximately 3.8%. Zara also maintained its commitment to upholding the highest standards in rendering services, safety and quality.

In 2022, Zara hotels continued to be distinguished. Hotel Intercontinental Jordan and Mövenpick Resort Petra were ranked number one, 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 one of the best hotels in the region.

One of Zara's most important strategies is to enhance the concept of long-term investment. This requires executing new projects and renovating the existing properties to enhance the level of service provided to its guests and improves its infrastructure. Zara has approved a 3-5 year plan to renovate its properties at an estimated cost of JD 25 million.



As you know, Jordan Himmeh Mineral Company has embarked on an eco-resort late 2020, and has completed the first phase of the project at a total cost of JD 3.7 million. This project is considered one of the leading eco-resort projects, 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 2025. The delay is due to deficiency of cash flows because of the Corona pandemic. The company intends to increase its capital to complete the project by internal funding.

In 2022, Zara continued the comprehensive revamp of the way it manages its assets. In doing so Zara was quick to identify and assess the negative effects of Corona pandemic on its hotels during the lockdown that are impacting the business and the potential opportunities inherent in them. In adapting to these changes, Zara keeps on revisiting the business model to render it more efficient and relevant.

In its continued efforts to replace traditional energy sources with better cost-efficient clean and renewable ones. Zara was able to commission its first solar station photovoltaics (PV) mid 2019 in Karak which supplies approximately 50% of electricity consumption of Zara hotels in South of Jordan. Irbid station started commercial operation in May 2021 which supplies approximately 50% of electricity consumption to meet the needs of Zara hotels in Amman.

During the pandemic, the cash inflows decreased drastically which entailed the utilization of loans backed by the Central Bank of Jordan and Social Security Corporation. Operating loans utilized amounted JD 17.6 million by end of 2022. The reason behind loan increase was to cope with the significant reduction in revenues due to Corona pandemic while paying employees' salaries and operating expenses as dictated by defense orders.

Zara maintained its support to the local communities within its areas of operation. This support is translated through offering career opportunities for the locals and develop their leadership skills at all management levels. Zara also supported many of the local municipalities and charities and support the employees to reduce the burdens during the Corona pandemic resulting from the reduction of the service charge allowance.

Zara outlook remains positive for 2023, 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



Roman Amphitheater



Board of Directors' Report 2022

Overview

Ladies and gentlemen

Welcome to the 29th annual meeting of the ordinary general assembly of the shareholders of Zara Investment (Holding) Company which shows the Company's activities and achievements in 2022 and its consolidated financial statements for the year 2022, as well as its outlook and plans for 2023.

In 2022, the tourism sector recorded a success story in all respects, and was able to overcome the repercussions of the Corona pandemic that affected it negatively during the past two years. The increase in number of tourists and tourism income exceeded expectations. The tourism sector is back to right track towards recovery and has improved greatly at all levels. This improvement became obvious after April 2022, and the results from May 2022 forward were comparable to 2019 for all areas of operations except Amman, where the five-star hotels continued to suffer low average room and occupancy rates. This is due to the increase in the supply of number of rooms over demand, which in turn led to a negative impact on all five-star hotels in Amman.

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2021 (JD 18.5 million in 2019). Consolidated net profit improved in 2022 to reach JD 3.6 million compared with JD 6.9 million net loss in 2021 (JD 6.7 million net profit in 2019). The positive results are attributed to outstanding pick up of the domestic and foreign tourism compared to the previous year. However, is still below 2019 performance. Comprehensive Income improved by 137% in 2022 to reach JD 2.6 million compared with JD 6.9 million loss in 2021 (JD 6.8 million profit in 2019).

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Hotel industry key indicators for 2022 compared to 2021

Sector Indicators	Year 2022	Year 2021	Variance %
Number of overnight visitors	4,177	2,012	107%
Tourism income (million JD)	4,093	1,900	115%
Average length of stay (night)	1.76	1.74	1%
Number of classified hotels	286	294	-3%
Number of hotel rooms	23,548	24,002	-2%
Number of beds	37,001	37,339	-1%
Number of employees	54,447	49,209	11%

Source: Ministry of Tourism and Antiquities

5-star hotel key indicators for 2022 compared to 2021:

Sector Indicators	Year 2022	Year 2021	Variance %
Number of 5-star hotels	40	39	3%
Number of 5-star hotel rooms	9,943	9,708	2%
Number of hotel rooms owned by Zara	2,131	2,131	-
Rooms owned by Zara - % of total	21.4%	22%	-3%

Source: Ministry of Tourism and Antiquities



2. (A) Main activities of the Company

Mother Company	Paid-up Capital/JD	Main Activity	Head Quarter	No. of Employees
Zara Investment (Holding) Company PSC	150,000,000	Hotel, tourism and general investments	Amman	30



Capital Investment

JD206.1 million which represents consolidated total assets





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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%	387
Jordan Himmeh Mineral Company PSC	2,000,000	Owner of Jordan Himmeh Resort – Mukhaibeh	Amman	77.8%	7
Nabatean Hotels Company LLC	3,300,000	Owner of Mövenpick Nabatean Castle Hotel and Mövenpick Resort Petra	Amman	100%	256
Amman Tourism Investment Company LLC	16,500,000	Owner of Grand Hyatt Amman Hotel, Hyatt Tower, and Zara Center	Amman	100%	348
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%	445
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%	259
Zara Agricultural Company LLC (Under Liquidation)	100,000	Landscape and nursery services – Jordan Valley	Amman	54.3%	-
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%	298
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%	-
Total number of employees					2,073

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



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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	Ezzeddin Mohamed M Elghoul	Member	2000	21/9/2021	4/8/1977
Fahad Bin Abdel-Rahman Bin Ali Al-Turki	-	Member	2020	-	16/9/1980
Social Security Corporation	Buthayna M. M. Mahadeen	Member from 24/5/2022	2000	24/5/2022	31/8/1968
Social Security Corporation	Ra'ed Abdelhadi Abdallah Alawin	Member till 23/5/2022	2000	1/8/2021	11/11/1971
Rama Investment & Saving Company	Mahmoud Suleiman Fares Maaytah	Member	2015	7/8/2019	6/6/1958
Nasser Awwad Mohammad Al-khalidi	-	Member	2018	-	21/10/1966
Yassin Khalil "Mohammad Yassin" Talhouni	-	Member	2000	-	8/5/1973



Degree	Graduation Date	Profession	Memberships
B.A. Chemical Engineering	1963	Businessman	<ul style="list-style-type: none"> Arab Bank / Chairman
M.B.A. Business Administration	1989	Businessman	<ul style="list-style-type: none"> Jordan Hotels and Tourism Company Jordan Himmeh Mineral Company Arab Bank
High Diploma Civil Engineering	1975	Vice President Arab Supply & Trading Corp. (Astra Group)	<ul style="list-style-type: none"> Astra Industrial Group (Saudi Arabia) Jordan Hotels and Tourism Company
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"> AlSagr Cooperative Insurance Company / Chairman Honeywell Turki Arabia Ltd. Bahrain Specialist Hospital Golden Pyramids Plaza Company
M.A. Business Administration	2015	Head of Quality Control Committee	-
M.A. Finance	2013	Project Management & Site Engineer	-
-	-	President of General Trade Union of Road Transport Workers	<ul style="list-style-type: none"> World Road Transport Organization / London
B.A. Electrical Engineering	1989	CEO Dead Sea Touristic & Real Estate Investment Company Till 6/2018	<ul style="list-style-type: none"> Jordan Hotels and Tourism Company Jordan Trade Facilities Company Irbid Electricity Company
Economics B.A.	1994	Businessman	<ul style="list-style-type: none"> Jordan Hotels and Tourism Company / Vice Chairman Jordan Himmeh Mineral Company / Chairman Cairo Amman Bank Jordan Electricity Company



Bank Al-Etihad	Isam Halim Jeries Salfiti	Member	1994	28/7/1994	23/05/1944
Hilal Omar Mustafa Abu Zeid	-	Member	2018	-	20/11/1961
Yazid Adnan Mustafa Mufti	-	Member	2000	-	27/03/1953
Samir Said Abdel- Muti Murad		Member	2020	-	12/11/1957





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



Wadi Rum





Petra



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"> Jordan Hotels and Tourism Company / Vice Chairman Jordan Himmeh Mineral Company / Chairman Cairo Amman Bank Jordan Electricity Company
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"> Held several financial and consulting positions with various leading local and regional corporations Board member at Jordan Himmeh Mineral Company Board member at Jordan Express Tourist Transport Company (JETT)
Haitham "Mohammad Nazih" Nureddin Hanbali	Financial Controller	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"> Held several financial consulting and auditing positions at local and regional consulting firms

4. Major shareholders and number of shares held compared with 2020:

Name	No. of Shares as of 31/12/2022	Percentage %	No. of Shares as of 31/12/2021	Percentage %
Al-Masira Investment Company	20,340,453	13.56%	20,340,453	13.56%
Libyan Foreign Investments Company	19,539,532	13.03%	19,539,532	13.03%
Social Security Corporation	18,506,245	12.34%	18,506,245	12.34%
Arab Supply and Trading Corporation	13,044,354	8.70%	13,044,354	8.70%
Al-Masira International – Bahrain	14,743,804	9.83%	14,743,804	9.83%
Cairo Amman Bank	9,990,084	6.66%	9,990,084	6.66%
Mohammed Bin Abdel-Rahman Bin Hamad Al-Sheik	6,000,000	4%	6,000,000	4%



Dead Sea





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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 28% market share of the 5-star hotel revenue in Jordan in 2022. 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 150 million / share and JD 157.7 million respectively as of 31/12/2022.

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.

In 2022, Zara hotels continued to be distinguished. Intercontinental Jordan Hotel and Mövenpick Resort Petra were ranked number one, 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

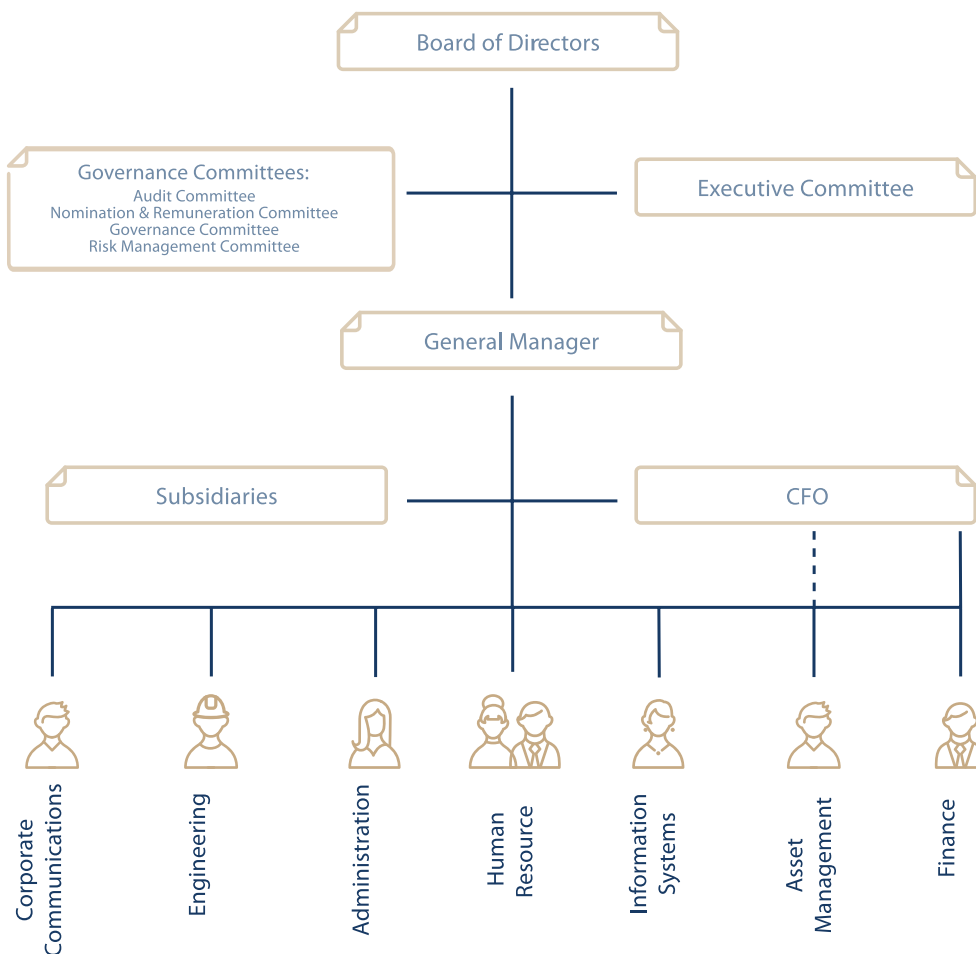
There are no government protection measures, nor privileges enjoyed by the Company or any of its products / subsidiaries in accordance with legal regulations and the company did not obtain any patents or franchises during 2022.

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







Aqaba



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	22	2	3	30

Subsidiaries	PhD	Masters	Higher Diploma	Bachelors	Diploma	High School	Total Number of Employees
Jordan Hotels and Tourism Company PSC	0	1	1	96	92	197	387
Jordan Himmeh Mineral Company PSC	0	0	0	1	0	6	7
Nabatean Hotels Company LLC	0	3	0	41	11	201	256
Amman Tourism Investment Company LLC	0	0	0	62	36	250	348
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	4	0	80	53	308	445
Jordan Hotel Supplies Trading Company LLC	0	0	0	8	3	8	19
Red Sea Hotels Company LLC	0	1	2	43	57	156	259
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	0	0	60	110	128	298
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
Total	0	12	3	413	364	1,281	2,073

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

Course Description	Number of Employees	Course Description	Number of Employees
The value of loyalty	364	Coaching for Excellence	4
Luxury Fundamental	371	Computer and E-mail Skills and Secretarial Programs in Arabic/English	51
Privacy and Information Security	1,023	Discovery Program	150
Code of Business Conduct	1,187	Green Key for Energy Conservation and Environmental Training	617
Soft/ Communications Skills	545	Making the most my Performance Review	247
Special Situations Management	28	Data Privacy	325
Digital Marketing & Media Communications Workshop	2	Financial Statements Awareness	67
Revenue Management Training in Sales & Reservation Program	15	Security Awareness and Basic Safety Procedures	729
Creating Connections	838	Emotional Intelligence	15
Lessons in Management Leadership	50	Technical Training Skills	828
Complaint Handling- Restoring the Trust- Employees	515	E-Learning Training System MHR	591
Key Essentials of Personal Hygiene & Food Safety	648	Off Job and On Job Training Skills	253
My Learning Tool	725	Internship for students – Royal Academy / VTC	86
New Managers Development Core Skills	26	Housekeeping Management	30
Hiring and Welcoming New Employees program (Orientation)	711	Wine Knowledge and Service	109
Quality Service Standards	560	Human Resources Workshop	13
Departmental Trainers Workshop	71	Handling Guest Request and Empathy in Complaint Handling training	737
Purpose and Brand Workshop	527	Ladies Social Etiquette	36
4 Corner Stones and Brand Promise	263	Pulse Awareness Session	851
Internal Cross Training	154	Conflict of Interest Disclosure	338
F&B Selling Techniques	123	Total	14,823

10. Risks

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





Wadi al Mujib



Company's Achievements

11. Company's achievements in 2022:

1. Zara Investment (Holding) Company:

- Continued to renovate all hotels' facilities.
- Continued to develop technological and electronic systems to keep up with latest developments.
- Continued to apply performance monitoring standards and to modify immediate implementation plans to ensure operational efficiency and effectiveness.
- Improved operational performance of hotels with a thorough following up by Asset Management Department.
- Restructured the Company to improve efficiency.
- Supported the employees to reduce the burdens during the Corona pandemic resulting from the reduction of the service charge allowance.
- Active involvement in the local community development by engaging in activities promoting livelihood and environmental awareness to serve local communities.
- Distributed Ramadan Parcels and donated to effective charities such as Iraq Al-Amir Women's Association, Vocational Training Corporation, and Jordan Strategy Forum.

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

- Renovated hotel facilities such as hotel façade, Burj Al-Hamam terrace, Banqueting furniture, elevators, outdoor swimming pool lockers and rooms, corridors carpets, guest rooms in Block A&B.
- Installed FM200 for main electrical database and for BAPX power supply room.
- Renewed ISO22000 Food Safety Management System certificate from the World Accreditation Agency.

- Achieved Food Safety Management System standards: ISO22000 certification.
- Achieved Green Engage Target- IHG.
- Won 8 medals during the International Exhibition of Hotels, Restaurants and Food Industries (HORECA) in Jordan.
- Won "Jordan Leading Business Hotel 2022" and "Jordan's Leading Conference Hotel 2022" during the 29th annual World Travel Awards.
- Recorded 740 new members for the "Gourmet Dining" loyalty program.
- Distributed Ramadan Parcels, charitable activities and donations.

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

- Completed the first phase of the project at a total cost of JD 3.7 million. This project which was embarked on late 2020 is considered one of the leading eco-resort projects at a total estimated cost JD 8.5 - 9.5 million. The second phase, which includes finishing and electromechanical works, is expected to be completed by the end of 2025. The delay is due to deficient cash flows because of the Corona pandemic. The company intends to increase its capital to complete the project by the internal funding.

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

- Renewed ISO22000 Food Safety Management System certificate from the World Accreditation Agency and the Green Key certificate.
- Won TripAdvisor Traveler's Choice Award.
- Completed the configuration for the launch of Opera 21 Cloud for reservations and sales management system.
- Hosted the first annual conference " the media role in Tourism Marketing" in cooperation with the Petra Authority, Al-Hussein University, and local community organizations, with the participation of business, scientific and tourism leaders.
- Hosted the world child day with local community.
- Hosted the women's international peg picking championship in cooperation with the Petra Authority and public security.
- Hosted the international blogger "Chiara Ferragni".
- Supported charity "clothes bank" through "kilo of kindness".

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

- Renovated hotel facilities such as 32 North Restaurant, Sawani Terrace, Kids playing area at Hyatt Tower, guests elevators, guest rooms televisions.

- Improved the hotel rank on TripAdvisor from 11 to 9 comparing to other Amman Hotels.
- Improved and increased the number of the followers on social media.
- Ranked number one in terms of occupancy and number two in terms of revenues.
- Obtained GBAC (Global Biorisk Advisory Council) hygiene accreditation for the third time in a row.
- Obtained the best guest service scores on HySat scale.
- Hosted national and religious events such as sponsoring Al-Mahabba Committee Christmas Village.
- Continued collaboration with Jordan food Bank.
- Collaborated with Jordan Clothes Bank to collect clothes and toys for the poor families.
- Launched the first ceremony of Hotelier Academy training program in cooperation with Education for Employment in Jordan.
- Launched Women@Hyatt committee which included all female employees in the hotel to encourage diversity and equality within the hotel and to ensure professional improvement of femals.
- Improved hotel's WIFI infrastructure and established a separate website for the hotel's apartments, a page on Trip Advisor and Expedia, and an arabic version of the hotel's website (Hyatt.com).
- Hosted King Hussein Cancer Center end-of-year nurses' dinner as an appreciation of their efforts.





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

- Renovated hotel facilities such as Wadi Rum & Yarmouk rooms, staff building, beach rehabilitation project, and Spa.
- Upgraded WIFI latest technologies, CCTV system, admin switches, back offices cables, and material control system.
- Renewed ISO22000 Food Safety Management System certificate from the World Accreditation Agency.
- Won the Excellence Award for best luxury spa in Jordan 2022 by Haute Grandeur Global Spa Awards.
- Won the Leading Award from the World Tourism Organization as a leading organization in the field of women's empowerment.
- Won the Best Practices Award for the principles of women's empowerment from the United Nations Women's Organization.
- Hosted press and bloggers' trips in addition to social media activists and influencers from all over the world.
- Honored by UN Global Compact certification of appreciation as an active member of the UN Global compact local network towards implementing sustainable development goals and the UN Global Compact ten principles.
- Participated in social responsibility initiatives such as "Kilo of Kindness with the Clothing Bank", "Room for Hope", "Tkiyet Um Ali", "Blood Donation Initiative with the Ministry of Health", "Planting Trees in a Local School", "Ramadan Charity Initiative with the Queen Rania Center for Family and Child" and hosting students from Jordan River Foundation by providing them training programs.

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

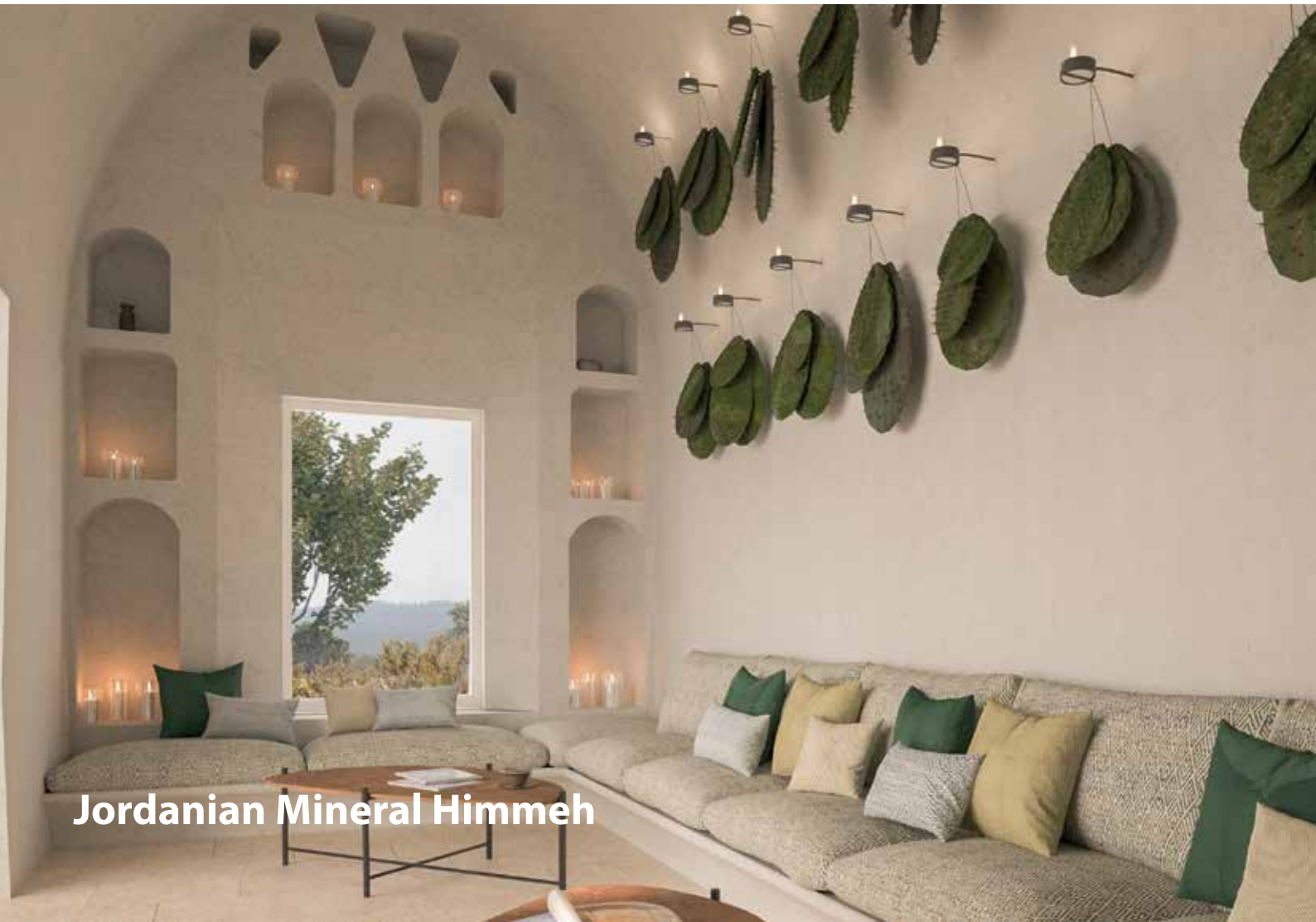
- Rehabilitated the beach.
- Renewed ISO22000 Food Safety Management System certificate from the World Accreditation Agency.
- Won awards for Blue Flag and Green Key from The Royal Marine conservation Society (JREDS).
- Won the Center Stage Award from the World Tourism Organization as a leading organization in the field of women's empowerment.
- Participated in social responsibility initiatives such as "Kilo of Kindness with the Clothing Bank", "Clean up the world campaign" and "Distribute Ramadan Parcels for Tkiyet Um Ali".
- Participated in UN WEPS (Principles for Empowering Women in Private Sectors) in Jordan.
- Participated in Run Jordan Marathon race for 10KM.
- Participated in educational seminars in line with the ten principles of the United Nations Global Compact.
- Hosted the Youth Taekwondo Sports league under the patronage of the Prime Minister.
- Hosted the National Sports Club in celebration of Armenia's Independence Day.

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

- Renewed ISO 22000 Food Safety Management System certificate from the World Accreditation Agency.
- Won awards for Blue Flag and Green Key from The Royal Marine Conservation Society (JREDS).
- Completed the LED system energy saving project.
- Participated in social responsibility initiatives such as "Kilo of Kindness with the Clothing Bank", "Clean up the world campaign" and "Distribute Ramadan Parcels for Tkiyet Um Ali".
- Participated in educational seminars in line with the ten principles of the United Nations Global Compact.



Jordanian Mineral Himmeh



Jordanian Mineral Himmeh

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 2018 through 2022

	2022	2021	2020	2019	2018
(Loss) Profit realized	3,630,713	(6,127,622)	(14,102,860)	5,915,732	3,917,349
Dividends	-	-	-	3,000,000	3,000,000
Equity attributable to Company shareholders	143,898,963	141,260,237	147,367,818	167,991,457	165,266,037
Share price JD	0.45	0.42	0.41	0.61	0.72

14. Analysis of Company's financial position and results of operations during fiscal years 2022 and 2021

No.	Description	2022%	2021%
1	Return on Investments	1.73	(3.51)
2	Return on Equity	2.20	(4.36)
3	Return on Paid-in Capital	2.38	(4.64)
4	Profit Margin	5.47	(20.87)
5	Earnings Before Tax (EBT) to Operating Revenues	6.88	(24.94)
6	Ownership Ratio	78.68	80.48
7	Equity to Loans	1060.96	1146.55
8	Loans to Assets	7.42	7.02
9	Property & Equipment to Equity	97.04	100.14
10	Current Liability to Assets	7.73	8.97
11	Liabilities to Assets	21.32	19.52
12	Liabilities to Equity	27.09	24.24
13	Current Liabilities to Equity	9.83	11.03
14	Long-Term Loans to Equity	8.75	4.76
15	Operating Revenues to Equity	40.22	20.90
16	Operating Revenues to Assets	31.65	16.82
17	Current Ratio	218.69	126.00



Following are the key indicators of the Company's hotels for 2022 compared to 2021:

Hotel	Number of Rooms	Occupancy %		Average Room Rate (JD)		Operating Revenues (JD)	
		2022	2021	2022	2021	2022	2021
Hotel InterContinental Jordan	450	41	23	101	92	13,618,247	7,489,640
Grand Hyatt Amman	316	44	23	83	73	8,962,526	4,503,425
Hyatt Tower	90	60	36	136	125	1,226,038	753,949
Mövenpick Resort & Spa Dead Sea	362	55	34	97	86	12,502,894	6,836,072
Mövenpick Resort & Residence Aqaba	332	50	34	95	88	7,431,254	4,588,403
Mövenpick Resort Petra	183	64	12	142	128	9,317,979	1,674,697
Mövenpick Nabatean Castle Petra	92	28	18	84	60	1,108,255	545,930
Mövenpick Resort & Spa Tala Bay Aqaba	306	48	38	125	105	9,899,619	6,461,776
Total	2,131	48	29	106	92	64,066,812	32,853,892

1. The consolidated statement of financial position indicates that total assets as of 31/12/2022 totaled JD 206,142,028 compared with JD 198,328,323 as of 31/12/2021 representing an increase of 4%.
2. The equity attributable to shareholders of the Company as of 31/12/2022 totaled JD 143,898,963 compared with JD 141,260,237 as of 31/12/2021 representing an increase of 2%.
3. The consolidated statement of profit or loss indicates that operating revenues for 2022 totaled JD 65,238,232 compared with JD 33,360,261 for 2021 representing an increase of 96%.
4. The consolidated expenses including depreciation, finance costs, and administration expenses for 2022 totaled JD 12,378,160 compared with JD 11,478,618 for 2021 representing an increase of 8%.
5. The consolidated profit attributable to shareholders of the Company for 2022 totaled JD 3,630,713 compared with JD 6,127,622 loss for 2021 representing improvement (loss decline) of 159%.



Aqaba





Ma'in Hot Springs



Company's Outlook

15. Company's outlook and plans for 2023

- 1- We will continue to update hotels' facilities and equipment to maintain the competitive edge with the global operators.
- 2- Board of Directors resolution to renovate hotels' facilities at an estimated cost of JD 25 million over the next 3 - 5 years.
- 3- We will continue to enhance our valuable guests' trust in our facilities and services.
- 4- We will continue to reduce costs, improve cash flows, and turn into clean energy gradually.
- 5- We will continue to support various initiatives related to environmental preservation and social responsibility.
- 6- We will continue to develop human resources and operational data base.
- 7- Restructuring the Company to improve efficiency.
- 8- Promoting the spirit of innovation and creation of new ideas that would strengthen our competitiveness with other operators.
- 9- We will continue to focus on self-financing for renovation and completion of ongoing projects.
- 10- We will continue to oversight the operations to improve performance.
- 11- We will continue to focus and support hotels' marketing plans and sales strategies especially rooms revenues to increase 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 markets.
- 14- We will continue to serve and improve the community in areas of our operations.
- 15- We will continue to offer varieties of touristic packages to enhance attraction.
- 16- We will continue to support the returns of the employees in the line with the high cost of living.



16. Audit fees paid by the Company and its subsidiaries and fees received by or due to auditors for other services

Company	Fees JD
Zara Investment (Holding) Company PSC	13,699
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
Zara Agricultural Company LLC	1,391
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
Total	135,965







Ajloun



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 Ezzeddin Mohamed M Elghoul	Member	Libyan Libyan
Fahad Bin Abdel-Rahman Bin Ali Al-Turki	Member	Saudi
Social Security Corporation, represented by Buthayna M. M. Mahadeen from 24/5/2022	Member	Jordanian Jordanian
Ra'ed Abdelhadi Abdallah Alawin Till 23/5/2022	Member	Jordanian
Rama Investment and Saving Company, represented by Mahmoud Suleiman Fares Maaytah	Member	Jordanian 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



Number of shares as of	Number of shares as of	Controlled companies	Number of shares held by controlled companies as of	
			31/12/2022	31/12/2021
10,000	10,000	<ul style="list-style-type: none"> Arab Supply and Trading Co. Astra Investment Co. Al-Masira Investment Co. Al-Masira International-Bahrain 	13,044,354 12,000 20,340,453 14,743,804	13,044,354 12,000 20,340,453 14,743,804
10,000	10,000	<ul style="list-style-type: none"> Arab Supply and Trading Co. Astra Investment Co. Al-Masira Investment Co. Al-Masira International-Bahrain 	13,044,354 12,000 20,340,453 14,743,804	13,044,354 12,000 20,340,453 14,743,804
20,340,453 -	20,340,453 -	None None	None None	None None
19,539,532 -	19,539,532 -	None None	None None	None None
1,322,500	1,322,500	None	None	None
18,506,245 -	18,506,245 -	None None	None None	None None
-	-	None	None	None
10,000 -	10,000 -	None None	None None	None None
10,000	10,000	None	None	None
4,248,920	4,248,920	<ul style="list-style-type: none"> National Development and Supply Co. Levant Investments Co. 	200,000 1,462,500	200,000 1,462,500
1,379,874 -	390,036 -	None None	None None	None None
10,000	10,000	None	None	None
30,000	30,000	None	None	None
10,000	10,000	None	None	None



PV Farm



Karak



Irbid



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	
			31/12/2022	31/12/2021		31/12/2022	31/12/2021
Yassin Khalil "Mohammad Yassin" Talhouni	General Manager	Jordanian	4,248,920	4,248,920	- National Development and Supply Co.	200,000	200,000
					- Levant Investments Co.	1,462,500	1,462,500
Ahmad Ibrahim Mohammad Jamjoum	Chief Financial Officer	Jordanian	-	-	None	-	-
Haitham "Mohammed Nazih" Nureddin Hanbali	Financial Controller	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	
			31/12/2022	31/12/2021		31/12/2022	31/12/2021

Relatives of Sabih Taher Darwish Masri

Serin Sabih Taher Masri	Daughter	Jordanian	2,076,000	2,076,000	None	-	-
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18. (A) Remunerations of the Chairman and members of the board

Name	Position	Transportation Allowance	Travel Allowance	Total JD
Sabih Taher Darwish Masri	Chairman	8,500	-	8,500
Khaled Sabih Taher Masri	Vice Chairman	8,500	-	8,500
Kamil Abdel-Rahman Ibrahim Sadeddin representing Al-Masira Investment Co.	Member	8,500	-	8,500
Ezzeddin Mohamed MEIghoul representing Libyan Foreign Investments Co.*	Member	-	12,744	12,744
Buthayna M. M. Mahadeen representing Social Security Corporation	Member From 24/5/2022	6,000	-	6,000
Ra'ed Abdelhadi Abdallah Alawin representing Social Security Corporation	Member Till 23/5/2022	2,500	-	2,500
Hilal Omar Mustafa Abu Zeid	Member	8,500	-	8,500
Fahad Bin Abdel-Rahman Bin Ali Al -Turki	Member	-	-	-
Yassin Khalil "Mohammad Yassin" Talhouni	Member	8,500	-	8,500
Nasser Awwad Mohammad Al-Khaldi	Member	8,500	-	8,500
Isam Halim Jeries Salfiti representing Bank Al-Etihad	Member	8,500	-	8,500
Yazid Adnan Mustafa Mufti	Member	8,500	-	8,500
Samir Said Abdel-Muti Murad	Member	8,500	-	8,500
Mahmoud Suleiman Fares Maaytah representing Rama Investment and Saving Co.	Member	8,500	-	8,500
Total		93,500	12,744	106,244

* Transportation and travel allowances paid in 2022 to the representatives of the Libyan Foreign Investments Company amount to JD 9,338.





Downtown



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	98,400	3,000	25,500	600	127,500
Haitham 'Mohammad Nazih' Nureddin Hanbali	Financial Controller	65,640	1,260	2,800	300	70,000

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

Beneficiary	Amount JD
Jordan Strategy Forum	7,000
Ramadan Packages	5,000
Iraq Al-Amir Women's Association	2,400
Al-Quds Lana	1,000
Vocational Training Corporation - Saltus	261
Other	580
Total	16,241

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 (CO₂), 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, Zara signed an agreement for a solar PV system based on the enacted Wheeling Law. This PV system is designed to meet 50% - 60% of our current electricity consumption needs while achieving our goals of switching to clean energy and achieving tremendous cost savings along with reducing thermal emissions.

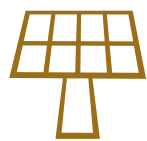
- Other energy saving measures such as switching to energy-saving LEDs have been ongoing for the past several years, during which we have also worked on projects to switch from diesel fuel to the more friendly sources of LPG, solar energy, and paper recycling.

- 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 CO₂.
3. Successful use of alternative sources of friendly energy through partial switch to solar energy in a number of our properties.
4. The partial substitution of diesel use by environmentally-friendly LPG systems for heating purposes.
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 CO₂



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 2022 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).

Zara contributed to support the employees to reduce the burdens during the Corona pandemic resulting from the reduction of the service charge allowance.

22. (B) Corporate Governance 2022:

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 2022 implementation Plans as approved by the Board.

6. The Annual Report demonstrate 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 members of the board 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



Dead Sea





2- Representatives of board members:

Ser.	Representative	Independency	
1	Kamil Abdel-Rahman Ibrahim Sadeddin representing Al-Masira Investment Company	Non-Independent	Non-executive
2	Ezzeddin Mohamed M Elghoul representing Libyan Foreign Investments Company	Non-Independent	Non-executive
3	Buthayna M. M. Mahadeen from 24/5/2022 representing Social Security Corporation	Non-Independent	Non-executive
	Ra'ed Abdelhadi Abdallah Alawin till 23/5/2022 representing Social Security Corporation	Non-Independent	Non-executive
4	Isam Halim Jeries Salfiti representing Bank Al-Etihad	Non-Independent	Non-executive
5	Mahmoud Suleiman Fares Maaytah 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	Financial Controller

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

Ser.	Names	Memberships
1	Sabih Taher Darwish Masri	- Chairman / Arab Bank
2	Khaled Sabih Taher Masri	- Jordan Hotels & Tourism Company - Jordan Himmeh Mineral Company - Arab Bank
3	Kamil Abdel-Rahman Ibrahim Sadeddin	- Astra Industrial Group (Saudi Arabia) - Jordan Hotels and Tourism Company
4	Ezzeddin Mohamed M Elghoul	- There are no other memberships in other public shareholding companies
5	Fahad Bin Abel-Rahman Bin Ali Al-Turki	- Chairman / AlSagr Cooperative Insurance Co. - Vice Chairman / A. A. TURKI GROUP (ATCO) - Honeywell Turki Arabia Ltd. - Bahrain Specialist Hospital - Golden Pyramids Plaza Company
6	Buthayna M. M. Mahadeen From 24/5/2022	- There are no other memberships in other public shareholding companies
	Ra'ed Abdelhadi Abdallah Alawin Till 23/5/2022	- There are no other memberships in other public shareholding companies
7	Mahmoud Suleiman Fares Maaytah	- World Road Transport Organization / London
8	Nasser Awwad Mohammad Khaldi	- Jordan Hotels and Tourism Company - Jordan Commercial Facilities Company - Irbid Electricity Company
9	Yassin Khalil 'Mohammed Yassin' Talhouni	- Vice Chairman / Jordan Hotels & Tourism Company. - Chairman / Jordan Himmeh Mineral Company - Cairo Amman Bank - Jordan Electricity Company
10	Isam Halim Jeries Salfiti	- Chairman / Jordan Hotels and Tourism Company - Chairman / Bank Al-Etihad
11	Hilal Omar Mustafa Abu Zeid	- Jordan Hotels and Tourism Company
12	Yazid Adnan Mustafa Mufti	- Chairman / Cairo Amman Bank - Middle East Insurance Company - Palestine Development & Investment Company
13	Samir Said Abdel-Muti Murad	- Chairman / Irbid Electricity Company - Vice Chairman / MedGulf Insurance Company - 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-Khaldi / President	B.A. Electrical Engineering	- CEO / Dead Sea Touristic and Real Estate Investments Company
2	Mahmoud Suleiman Fares Maaytah / Member	-	- President of General Trade Union of Road Transport Workers
3	Ezzeddin Mohamed M Elghoul / Member	High Diploma Diplomatic Studies	- Head of Litigation Section Libya Africa Investment Portfolio till 9/2021
4	Hilal Omar Mustafa Abu Zeid / Member	M.A. Finance	- Finance Consultant

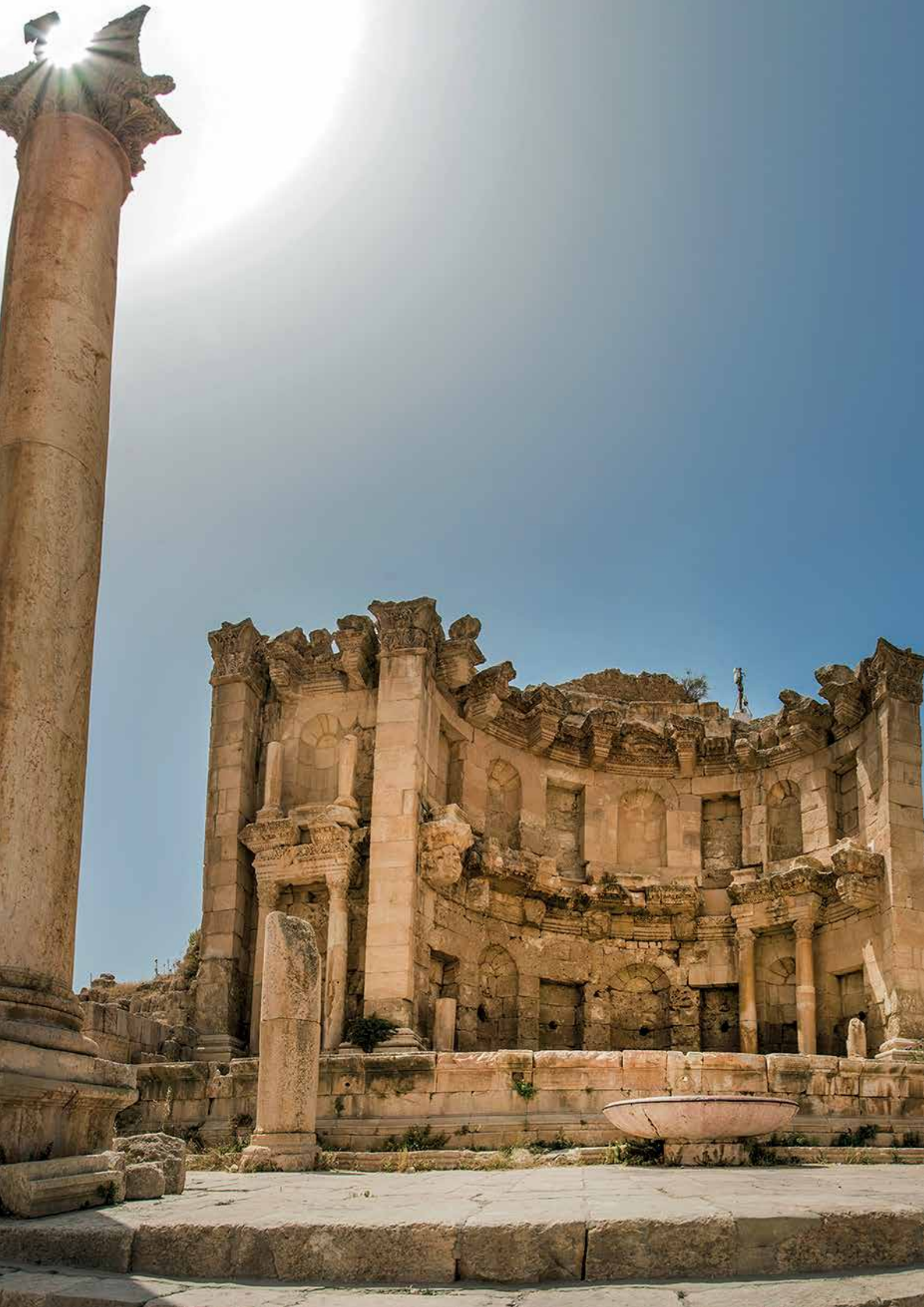


H: Names of the chairman and members of the nomination and remuneration committee, the governance committee and the risk management committee:

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	Buthayna M. M. Mahadeen / Member From 24/5/2022 Ra'ed Abdelhadi Abdallah Alawin / Member Till 23/5/2022

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





Jerash



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"> - 1st meeting: Mr. Hilal Abu Zeid, Mr. Ezzeddin Elghoul, Mr. Mahmoud Maaytah, Mr. Nasser Al-Khalidi - 2nd Meeting: Mr. Hilal Abu Zeid, Mr. Ezzeddin Elghoul, Mr. Mahmoud Maaytah, Mr. Nasser Al-Khalidi - 3rd Meeting: Mr. Hilal Abu Zeid, Mr. Ezzeddin Elghoul, Mr. Mahmoud Maaytah, Mr. Nasser Al-Khalidi - 4th Meeting: Mr. Hilal Abu Zeid, Mr. Ezzeddin Elghoul, Mr. Mahmoud Maaytah, Mr. Nasser Al-Khalidi
2	Nominations & Remuneration	3	<ul style="list-style-type: none"> - 1st meeting: Mr. Hilal Abu Zeid, Mr. Nasser Al-Khalidi, Mr. Khaled Masri - 2nd Meeting: Mr. Hilal Abu Zeid, Mr. Nasser Al-Khalidi, Mr. Khaled Masri - 3rd Meeting: Mr. Hilal Abu Zeid, Mr. Nasser Al-Khalidi, Mr. Khaled Masri
3	Governance	3	<ul style="list-style-type: none"> - 1st meeting: Mr. Hilal Abu Zeid, Mr. Ra'ed Alawin, Mr. Nasser Al-Khalidi - 2nd Meeting: Mr. Hilal Abu Zeid, Mr. Ra'ed Alawin, Mr. Nasser Al-Khalidi - 3rd Meeting: Mr. Hilal Abu Zeid, Ms. Buthayna Mahadeen, Mr. Nasser Al-Khalidi
4	Risk Management	3	<ul style="list-style-type: none"> - 1st meeting: Mr. Hilal Abu Zeid, Mr. Kamil Sadeddin, Mr. Nasser Al-Khalidi - 2nd Meeting: Mr. Hilal Abu Zeid, Mr. Kamil Sadeddin, Mr. Nasser Al-Khalidi - 3rd Meeting: Mr. Hilal Abu Zeid, Mr. Kamil Sadeddin, Mr. Nasser Al-Khalidi

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 2022:

Audit Committee:

Four meetings were held during the fiscal year ended 31 December 2022, and the following recommendations were made:

Ser.	Date	Recommendations to the Board of Directors
First Meeting	21/03/2022	<ul style="list-style-type: none"> * Approval of consolidated financial statements for the year ended 31 December 2021. * Approval of the 28th draft annual report for the year ended 31 December 2021. * Approval of the Committee works report for submission to the ordinary general assembly.
Second Meeting	18/04/2022	<ul style="list-style-type: none"> * Approval of interim condensed consolidated financial statements for the three months ended 31 March 2022. * Approval of audit fees to the independent auditor for the year ending on December 31, 2022.
Third Meeting	24/07/2022	<ul style="list-style-type: none"> * Approval of interim condensed consolidated financial statements for the six months ended 30 June 2022. * Approval of non-reduction of deferred tax assets balance in Amman Tourism Investment Co. * Approval of writing down fair value reserve in Red Sea Hotels Co.
Fourth Meeting	30/10/2022	<ul style="list-style-type: none"> * Approval of interim condensed consolidated financial statements for the nine months ended 30 September 2022. * Approval of the Committee proposed plan of action for the coming year 2023.

Nominations and Remuneration Committee:

Three meetings were held during the fiscal year ended 31 December 2022, and the following recommendations were made:

Ser.	Date	Recommendations to the Board of Directors
First Meeting	21/2/2022	<ul style="list-style-type: none"> * Review of the independency of the board members and proposition of amendment as per enacted laws. * Approval of the Committee works report for submission to the ordinary general assembly. * Review and study bonus policies, incentives, job succession plans, and salary scale.
Second Meeting	18/04/2022	<ul style="list-style-type: none"> * Study of the financial performance reports of the operations to approve incentives and bonuses
Third Meeting	30/10/2022	<ul style="list-style-type: none"> * Approval of the Committee proposed plan of action for the coming year 2023. * Results of discussions with the General Association of Workers in Public Services and Liberal Professions.



Governance Committee:

Three meetings were held during the fiscal year ended 31 December 2022, and the following recommendations were made:

Ser.	Date	Recommendations to the Board of Directors
First Meeting	21/02/2022	* Preparation of the annual Governance Report to be included in the Annual Report. * Approval of the Committee works report for submission to the ordinary general assembly.
Second Meeting	18/04/2022	* Review of implementation procedures and compliance with Governance regulations.
Third Meeting	30/10/2022	* Approval of the Committee proposed plan of action for the coming year 2023.

Risk Management Committee:

Three meetings were held during the fiscal year ended 31 December 2022, and the following recommendations were made:

Ser.	Date	Recommendations to the Board of Directors
First Meeting	21/02/2022	* Approval of the Committee works report for submission to the ordinary general assembly. * Modification of risk management policy to include the risk of Corona pandemic.
Second Meeting	18/04/2022	* Review risk management policies report draft and evaluate the different types of risks.
Third Meeting	30/10/2022	* Approval of the Committee proposed plan of action for the coming year 2023. * The risk of the impact on operations by employees strike in line with the high cost of living.



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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 2022 as follows:

Ser.	Attendees
First Meeting	Mr. Sabih Masri, Mr. khaled Masri, Mr. Yassin Talhouni, Mr. Kamil Sadeddin, Mr. Ezzeddin Elghoul, Mr. Ra'ed Alawin, Mr. Samir Murad, Mr. Mahmoud Maaytah, Mr. Yazid Mufti, Mr. Isam Salfiti, Mr. Nasser Al-Khalidi except Mr. Hilal Abu Zeid and Mr. Fahad Al-Turki with an acceptable excuse.
Second Meeting	Mr. Sabih Masri, Mr. khaled Masri, Mr. Yassin Talhouni, Mr. Kamil Sadeddin, Mr. Ezzeddin Elghoul, Mr. Ra'ed Alawin, Mr. Samir Murad, Mr. Mahmoud Maaytah, Mr. Yazid Mufti, Mr. Isam Salfiti, Mr. Nasser Al-Khalidi, Mr. Hilal Abu Zeid, Mr. Fahad Al-Turki.
Third Meeting	Mr. Sabih Masri, Mr. khaled Masri, Mr. Yassin Talhouni, Mr. Kamil Sadeddin, Mr. Ezzeddin Elghoul, Ms. Buthayna Mahadeen, Mr. Samir Murad, Mr. Mahmoud Maaytah, Mr. Yazid Mufti, Mr. Isam Salfiti, Mr. Hilal Abu Zeid, Mr. Fahad Al-Turki except Mr. Nasser Al-Khalidi with an acceptable excuse.
Fourth Meeting	Mr. Sabih Masri, Mr. khaled Masri, Mr. Ezzeddin Elghoul, Ms. Buthayna Mahadeen, Mr. Samir Murad, Mr. Mahmoud Maaytah, Mr. Yazid Mufti, Mr. Isam Salfiti, Mr. Nasser Al-Khalidi, Mr. Hilal Abu Zeid, Mr. Fahad Al-Turki except Mr. Yassin Talhouni and Mr. Kamil Sadeddin with an acceptable excuse.
Fifth Meeting	Mr. Sabih Masri, Mr. khaled Masri, Mr. Yassin Talhouni, Mr. Kamil Sadeddin, Mr. Ezzeddin Elghoul, Ms. Buthayna Mahadeen, Mr. Samir Murad, Mr. Mahmoud Maaytah, Mr. Yazid Mufti, Mr. Isam Salfiti, Mr. Nasser Al-Khalidi, Mr. Hilal Abu Zeid, Mr. Fahad Al-Turki.
Sixth Meeting	Mr. Sabih Masri, Mr. khaled Masri, Mr. Yassin Talhouni, Mr. Kamil Sadeddin, Mr. Ezzeddin Elghoul, Ms. Buthayna Mahadeen, Mr. Samir Murad, Mr. Mahmoud Maaytah, Mr. Yazid Mufti, Mr. Isam Salfiti, Mr. Nasser Al-Khalidi, Mr. Hilal Abu Zeid, Mr. Fahad Al-Turki.

Sabih Taher Masri

Chairman of the Board of Directors





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CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022



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 2022, and the 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 significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022, 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 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 2022. 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 (20) 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. Revenues are mostly generated from reservations of rooms and sale of food and beverages, within the different outlets. Revenues are recognized based on all the services availed and sales to customers.</p> <p>Revenue recognition was considered a key audit matter for the year 2022 due to the risk of errors in revenue recording and recognition as a result of the high volume of relatively low value transactions. A risk is also present in services that are rendered but not 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 2022 amounted to JD 65,238,232 (2021: JD 33,360,261).</p>	<p>Audit procedures included testing the controls around revenue recognition and key manual controls in the revenue recognition process. We performed detailed analytical procedures for the gross margin on a monthly basis for all types of revenue (Rooms, Food and Beverage, and Other departments). Having built expectations about revenue figures for the year, we performed substantive analytical procedures using financial and non-financial information. We selected and tested a sample of daily reports based on which revenues are recorded to ensure proper revenue recognition. We selected a sample before and after the 2022 year-end to assess whether the revenue was recognized in the correct period.</p>



Key Audit Matter 2: Impairment of property and equipment and investment properties

Refer to Note (4) and Note (5) to the consolidated financial statements

Key audit matter	How the key audit matter was addressed in the audit
<p>We have considered impairment of property and equipment and investment properties a key audit matter due to the following reasons:</p> <ul style="list-style-type: none"> • The net book values of the property and equipment and investment properties as at 31 December 2022 amounted to JD 153,362,922, representing 74% of the Group's total assets. • Assessment of the existence of indicators of impairment and estimation of recoverable amount by the Group involves judgement and estimation uncertainty. 	<p>Our Audit procedures included the following:</p> <ul style="list-style-type: none"> • Reviewed the Group's process of identifying possible indicators of impairment of the property and equipment and investment properties. • Reviewed the parameters used by the Group to identify indicators of impairment to ensure that these are reasonable. • Reviewed the appropriateness of the impairment assessment methodology used by the Group. • Challenged the reasonableness of key assumptions and inputs used in estimating the recoverable amount of the assets. • Reviewed the adequacy of the Group's disclosure related to impairment of property and equipment and investment properties in the consolidated financial statements by reference to the requirements of the relevant accounting standards.

Other information included in the Group's 2022 annual report.

Other information consists of the information included in the Group's 2022 annual report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2022 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.

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

Responsibilities of Board of Directors 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 Waddah Issam Barkawi; license number 591.

Amman – Jordan
23 March 2023



Zara Investment (Holding) Company P.S.C.
Consolidated Statement of Financial Position
As At 31 December 2022

ASSETS	Notes	2022	2021
		JD	JD
Non-current assets -			
Property and equipment	4	150,777,574	155,057,026
Investment properties	5	2,585,348	2,727,428
Right-of-use assets	6	5,973,064	6,383,581
Projects in progress	7	4,371,496	2,485,140
Financial assets at fair value through other comprehensive income	8	3,313,903	4,320,041
Advance payments for land purchases	10	111,200	111,200
Deferred tax assets	25	4,145,777	5,048,749
Advance payments to suppliers and contractors		780,113	521,875
Other non-current assets	13	<u>1,333,375</u>	<u>-</u>
		<u>173,391,850</u>	<u>176,655,040</u>
Current assets -			
Inventories	11	1,894,622	1,448,571
Accounts receivable	12	3,389,094	2,075,711
Other current assets	13	1,480,688	2,880,468
Cash on hand and at banks	14	<u>25,985,774</u>	<u>15,268,533</u>
		<u>32,750,178</u>	<u>21,673,283</u>
Total assets		<u><u>206,142,028</u></u>	<u><u>198,328,323</u></u>

The accompanying notes from 1 to 35 form part of these consolidated financial statements



EQUITY AND LIABILITIES	Notes	2022	2021
		JD	JD
EQUITY			
Attributable to the equity owners of the Company -			
Paid-in capital	15	150,000,000	150,000,000
Statutory reserve	15	6,638,512	5,998,858
Voluntary reserve	15	689,496	689,496
Cumulative change in fair value	9	(1,255,341)	(264,978)
Accumulated losses		<u>(12,173,704)</u>	<u>(15,163,139)</u>
		143,898,963	141,260,237
Non-controlling interests	24	<u>18,309,667</u>	<u>18,373,398</u>
Total equity		<u>162,208,630</u>	<u>159,633,635</u>
LIABILITIES			
Non-current liabilities -			
Long-term loans	16	14,192,644	7,601,864
Long-term lease obligations	6	4,713,129	5,284,883
Deferred tax liabilities	25	237,056	308,973
Other non-current liabilities	18	<u>8,861,420</u>	<u>7,711,024</u>
		<u>28,004,249</u>	<u>20,906,744</u>
Current liabilities -			
Current portion of long-term loans	16	1,095,057	926,776
Short-term lease obligations	6	1,295,085	1,215,437
Due to banks	17	-	5,394,281
Accounts payable		6,218,153	5,243,097
Other current liabilities	18	6,913,773	4,157,426
Other provisions	19	338,428	767,115
Provision for income tax	25	<u>68,653</u>	<u>83,812</u>
		<u>15,929,149</u>	<u>17,787,944</u>
Total liabilities		<u>43,933,398</u>	<u>38,694,688</u>
Total equity and liabilities		<u>206,142,028</u>	<u>198,328,323</u>

The accompanying notes from 1 to 35 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 2022

	Notes	2022	2021
		JD	JD
Operating revenues		65,238,232	33,360,261
Operating expenses		<u>(49,862,398)</u>	<u>(30,997,106)</u>
Net operating revenues	20	15,375,834	2,363,155
Other income	21	1,325,405	870,807
Interest income		234,121	111,005
Depreciation of property and equipment and investment properties	4,5	(7,990,934)	(7,949,009)
Depreciation of right-of-use assets	6	(410,517)	(350,944)
Finance costs	22	(1,023,791)	(866,267)
Administrative expenses	23	(2,952,920)	(2,312,398)
Other provisions	19	(90,864)	(207,250)
Recovered from provision for slow moving inventories, net	11	19,273	19,760
Recovered from provision for impairment of inventories	11	<u>312</u>	<u>174</u>
Profit (loss) for the year before income tax		4,485,919	(8,320,967)
Income tax (expense) benefit, net	25	<u>(920,561)</u>	<u>1,357,547</u>
Profit (Loss) for the year		<u>3,565,358</u>	<u>(6,963,420)</u>
Attributable to:			
Equity holders of the Company		3,630,713	(6,127,622)
Non-controlling interests	24	<u>(65,355)</u>	<u>(835,798)</u>
		<u>3,565,358</u>	<u>(6,963,420)</u>
		JD / Fils	JD / Fils
Basic and diluted profit (loss) per share attributable to the equity holders of the Company	26	<u>(0/024)</u>	<u>(0/041)</u>

The accompanying notes from 1 to 35 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 2022

	Notes	2022	2021
		JD	JD
Profit (Loss) for the year		3,565,358	(6,963,420)
Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods, net of tax:			
Change in fair value, net of deferred tax liabilities	9	<u>(990,363)</u>	<u>21,683</u>
Total comprehensive income for the year		<u>2,574,995</u>	<u>(6,941,737)</u>
Attributable to:			
Equity holders of the Company		2,640,350	(6,105,939)
Non-controlling interests		<u>(65,355)</u>	<u>(835,798)</u>
		<u>2,574,995</u>	<u>(6,941,737)</u>

The accompanying notes from 1 to 35 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 2022

	Attributable to		
	Paid-in capital	Reserves	
		Statutory	Voluntary
JD	JD	JD	
2022 -			
Balance at 1 January	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	-	-	-
Balance at 31 December	<u>150,000,000</u>	<u>6,638,512</u>	<u>689,496</u>
2021 -			
Balance at 1 January	150,000,000	5,977,415	689,496
Total comprehensive income for the year	-	-	-
Transferred to statutory reserves	-	21,443	-
Change in non-controlling interests due to increase in the share capital of a subsidiary	-	-	-
Balance at 31 December	<u>150,000,000</u>	<u>5,998,858</u>	<u>689,496</u>

The accompanying notes from 1 to 35 form part of these consolidated financial statements



the equity holders of the company				
Cumulative change in fair value	(Accumulated losses)	Total	Non-controlling interests	Total equity
JD	JD	JD	JD	JD
(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
-	<u>(639,654)</u>	-	-	-
-	<u>(1,624)</u>	<u>(1,624)</u>	<u>1,624</u>	-
<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>
(286,661)	(9,012,432)	147,367,818	19,207,554	166,575,372
21,683	(6,127,622)	(6,105,939)	(835,798)	(6,941,737)
-	(21,443)	-	-	-
-	<u>(1,642)</u>	<u>(1,642)</u>	<u>1,642</u>	-
<u>(264,978)</u>	<u>(15,163,139)</u>	<u>141,260,237</u>	<u>18,373,398</u>	<u>159,633,635</u>

The accompanying notes from 1 to 35 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 2022

	Notes	2022	2021
		JD	JD
Operating Activities			
Profit (Loss) for the year before income tax		4,485,919	(8,320,967)
Adjustments:			
Interest income		(234,121)	(111,005)
Gain on sale and disposal of property and equipment	21	(58,167)	(21,442)
Finance costs	22	1,023,791	866,267
Depreciation of property and equipment and investment properties	4,5	7,990,934	7,949,009
Depreciation of right-of-use assets	6	410,517	350,944
Deferred grant income	21	(199,997)	(199,997)
Other provisions, net	19	(308,051)	207,250
Recovered from provision for impairment of inventories	11	(312)	(174)
Provision for slow moving inventories, net	11	(19,273)	(19,760)
Provision for expected credit losses, net	12	(151,282)	24,645
Changes in working capital:			
Inventories		(426,466)	(55,594)
Accounts receivable		(1,162,101)	(1,084,696)
Other current assets		66,405	(90,898)
Accounts payable		975,056	429,361
Other current liabilities		1,286,210	635,355
Other provisions paid	19	(120,636)	(31,122)
Income tax paid	25	(88,890)	(4,150)
Net cash flows from operating activities		<u>13,469,536</u>	<u>523,026</u>

The accompanying notes from 1 to 35 form part of these consolidated financial statements



	Notes	2022	2021
		JD	JD
Investing activities			
Purchase of property and equipment	4	(2,555,792)	(1,520,257)
Proceeds from sale of property and equipment		62,633	22,579
Purchase of investment properties	5	(888)	(3,319)
Projects in progress	7	(2,903,544)	(2,759,941)
Advance payments to suppliers and contractors		(258,238)	48,145
Contractors' retentions and accruals		280,443	119,798
Interest income received		<u>234,121</u>	<u>111,005</u>
Net cash flows used in investing activities		<u>(5,141,265)</u>	<u>(3,981,990)</u>
Financing Activities			
Proceeds from loans		8,603,629	5,828,877
Other current liabilities		479,882	4,229,092
Finance costs paid	22	(438,738)	(342,390)
Payments of lease obligations	6	<u>(861,522)</u>	<u>(777,654)</u>
Net cash flows from financing activities		<u>7,783,251</u>	<u>8,937,925</u>
Net increase in cash and cash equivalents		16,111,522	5,478,961
Cash and cash equivalents at the beginning of the year		<u>9,874,252</u>	<u>4,395,291</u>
Cash and cash equivalents at the end of the year	14	<u>25,985,774</u>	<u>9,874,252</u>

The accompanying notes from 1 to 35 form part of these consolidated financial statements



Zara Investment (Holding) Company P.S.C.
Notes to the Consolidated Financial Statements
31 December 2022

(1) GENERAL

Zara Investment (Holding) Company (the "Company") was established on 10 May 1994 as a Public Shareholding Company. The Company's paid-in capital is JD 150,000,000 consisting of 150,000,000 shares of JD 1 par value each as of 31 December 2022.

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 and 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 21 March 2023. 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 29) as of 31 December 2022 and 2021.

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 2021 except for the adoption of new amendments on the standards effective as of 1 January 2022 shown below:

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.



At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

These amendments had no impact on the consolidated financial statements of the Group.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the consolidated financial statements of the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the consolidated financial statements of the Group.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the consolidated financial statements of the Group.

IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

These amendments had no impact on the consolidated financial statements of the Group.

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for

taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the consolidated financial statements of the Group.

(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) is 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%.



Leases

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.

Right-of-use assets

The Group recognizes 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 obligations.

The cost of right-of-use assets includes the amount of lease obligations 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 or the lease term. Right-of-use assets are subject to impairment.

Lease obligations

At the commencement date of the lease, the Group recognizes lease obligations 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.

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 and 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.

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

Loans

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 and 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

Accrued income tax 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

Revenues are recognized according to the five-step model (IFRS 15), which includes the identification of the contract and price, the performance obligation within the contract and that revenue from services will continue to be recognised over time, using an input method to measure progress towards complete satisfaction of the service similar to the previous accounting policy, because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenues are recognized upon rendering services and issuance of invoices.

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

Interest income is recognized using effective interest rate method.

Other revenues are recognized using the accrual basis of accounting.

Expenses are recognized using the accrual basis of accounting.

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 calculated and 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 on the general conditions of the property and equipment and estimate the future useful lives accordingly.
- A provision is established against court cases where the Group is the defendant, based on a legal study provided by the Group's legal advisor which determines the risk that may occur. These studies are reviewed periodically, and the provision is adjusted accordingly.
- 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 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.



(4) PROPERTY AND EQUIPMENT

	Land	Buildings	Electro-mechanicals
	JD	JD	JD
2022 -			
Cost -			
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>
Accumulated depreciation -			
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>
Net book value			
At 31 December 2022	<u>36,704,392</u>	<u>100,526,993</u>	<u>2,034,218</u>

The cost of fully depreciated property and equipment as at 31 December 2022 is JD 165,936,597 (2021: JD 164,064,537).

2021 -			
Cost			
At 1 January	36,704,392	166,958,782	69,543,241
Additions	-	217,086	97,739
Transferred from projects in progress (Note 7)	-	1,666,322	617,909
Disposals	<u>-</u>	<u>-</u>	<u>(18,800)</u>
At 31 December	<u>36,704,392</u>	<u>168,842,190</u>	<u>70,240,089</u>
Accumulated depreciation -			
At 1 January	-	61,998,335	67,280,161
Depreciation for the year	-	3,558,500	664,435
Disposals	<u>-</u>	<u>-</u>	<u>(18,800)</u>
At 31 December	<u>-</u>	<u>65,556,835</u>	<u>67,925,796</u>
Net book value			
At 31 December	<u>36,704,392</u>	<u>103,285,355</u>	<u>2,314,293</u>



Machinery and equipment	Furniture and fixture	Computer hardware and software	Vehicles	Others	Total
JD	JD	JD	JD	JD	JD
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>54,277,924</u>	<u>9,024,241</u>	<u>1,391,191</u>	<u>1,869,324</u>	<u>246,830,448</u>
<u>4,571,661</u>	<u>5,664,198</u>	<u>342,241</u>	<u>387,606</u>	<u>546,265</u>	<u>150,777,574</u>
44,375,242	57,080,400	9,166,710	1,504,234	2,415,589	387,748,590
760,679	343,999	62,965	37,789	-	1,520,257
1,174,604	2,038,762	54,730	-	-	5,552,327
<u>(122,635)</u>	<u>(172,055)</u>	<u>(29,305)</u>	<u>-</u>	<u>-</u>	<u>(342,795)</u>
<u>46,187,890</u>	<u>59,291,106</u>	<u>9,255,100</u>	<u>1,542,023</u>	<u>2,415,589</u>	<u>394,478,379</u>
39,731,015	51,229,356	8,623,600	1,266,202	1,835,835	231,964,504
1,605,391	1,632,083	252,874	68,479	16,745	7,798,507
<u>(121,982)</u>	<u>(171,571)</u>	<u>(29,305)</u>	<u>-</u>	<u>-</u>	<u>(341,658)</u>
<u>41,214,424</u>	<u>52,689,868</u>	<u>8,847,169</u>	<u>1,334,681</u>	<u>1,852,580</u>	<u>239,421,353</u>
<u>4,973,466</u>	<u>6,601,238</u>	<u>407,931</u>	<u>207,342</u>	<u>563,009</u>	<u>155,057,026</u>



(5) INVESTMENT PROPERTIES

	2022	2021
	JD	JD
Cost		
As at 1 January	10,526,430	10,523,111
Additions	<u>888</u>	<u>3,319</u>
As at 31 December	<u>10,527,318</u>	<u>10,526,430</u>
Accumulated depreciation and impairment -		
As at 1 January	7,799,002	7,648,500
Depreciation for the year	<u>142,968</u>	<u>150,502</u>
As at 31 December	<u>7,941,970</u>	<u>7,799,002</u>
Net book value		
At 31 December	<u>2,585,348</u>	<u>2,727,428</u>

(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 2022 and 31 December 2021:

	Right of use assets			Lease obligations*
	Land	Photovoltaic system	Total	
	JD	JD	JD	
2022 -				
At 1 January	942,886	5,440,695	6,383,581	6,500,320
Depreciation	(118,614)	(291,903)	(410,517)	-
Finance costs (Note 22)	-	-	-	555,020
Payments	-	-	-	(861,522)
Transferred to accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>(185,604)</u>
At 31 December 2020	<u>824,272</u>	<u>5,148,792</u>	<u>5,973,064</u>	<u>6,008,214</u>
2021 -				
At 1 January	1,061,500	2,098,522	3,160,022	3,341,045
Additions	-	3,574,503	3,574,503	3,574,503
Depreciation	(118,614)	(232,330)	(350,944)	-
Finance costs (Note 22)	-	-	-	488,439
Payments	-	-	-	(777,654)
Transferred to accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>(126,013)</u>
At 31 December	<u>942,886</u>	<u>5,440,695</u>	<u>6,383,581</u>	<u>6,500,320</u>

* The details of the lease obligations as at 31 December 2022 and 2021 are as follows:

31 December 2022			31 December 2021		
Short-term	Long-term	Total	Short-term	Long-term	Total
<u>1,295,085</u>	<u>4,713,129</u>	<u>6,008,214</u>	<u>1,215,437</u>	<u>5,284,883</u>	<u>6,500,320</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:

	2022	2021
	JD	JD
Jordan Hotels and Tourism Co.	22,790	151,027
Jordan Himmeh Mineral Co.*	4,077,388	2,233,921
Nabatean Hotels Co.	56,262	136,123
Amman Tourism Investment Co.	20,014	20,014
Oasis Hotels Co.*	525,703	525,703
National Hotels and Tourism Co.	426,159	154,933
Red Sea Hotels Co.	84,581	114,486
South Coast Hotels Co.*	589,474	589,474
Zara South Coast Development Co.	29,917	20,251
Zara Investment (Holding) Co.*	<u>102,986</u>	<u>102,986</u>
	5,935,274	4,048,918
Less: provision for projects in progress*	<u>(1,563,778)</u>	<u>(1,563,778)</u>
	<u>4,371,496</u>	<u>2,485,140</u>

The capitalized interest expense to projects in progress amounted to 74,056 as of 31 December 2022 (2021: 84,800).

* Movements on projects in progress were as follow:

	2022	2021
	JD	JD
Beginning balance	4,048,918	6,841,304
Additions	2,903,544	2,759,941
Transferred to property and equipment (Note 4)	<u>(1,017,188)</u>	<u>(5,552,327)</u>
	5,935,274	4,048,918
Less: provision for projects in progress*	<u>(1,563,778)</u>	<u>(1,563,778)</u>
Ending balance	<u>4,371,496</u>	<u>2,485,140</u>

The estimated cost to complete above projects is JD 14,000,000 as of 31 December 2022 (2021: JD 6,500,000). 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:

	2022	2021
	JD	JD
Quoted shares – Local		
Jordan Express Tourist Transport Company PLC	637,309	655,518
Jordan Projects Tourism Development Company PLC	<u>2,676,594</u>	<u>3,664,523</u>
	<u>3,313,903</u>	<u>4,320,041</u>

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

	2022	2021
	JD	JD
Beginning balance	4,320,041	4,294,549
Change in fair value (Note 9)	<u>(1,006,138)</u>	<u>25,492</u>
Ending balance	<u>3,313,903</u>	<u>4,320,041</u>

(9) CUMULATIVE CHANGE IN FAIR VALUE

Movements on cumulative change in fair value were as follows:

	2022	2021
	JD	JD
Beginning balance	(264,978)	(286,661)
Change in fair value of financial assets at fair value through other comprehensive income (Note 8)	(1,006,138)	25,492
Change in deferred tax liabilities (Note 25)	<u>15,775</u>	<u>(3,809)</u>
Ending balance	<u>(1,255,341)</u>	<u>(264,978)</u>

(10) ADVANCE PAYMENTS FOR LAND PURCHASES

This item represents amounts paid by Nabatean Hotels Company (subsidiary) to purchase a land plot in Petra which has been registered in 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 29).

(11) INVENTORIES

	2022	2021
	JD	JD
Supplies and equipment	1,174,333	968,905
Food and beverages	638,338	464,466
Others	<u>132,687</u>	<u>85,521</u>
	<u>1,945,358</u>	<u>1,518,892</u>
Less:		
Provision for slow moving inventories*	(49,704)	(68,977)
Provision for impairment of inventories**	<u>(1,032)</u>	<u>(1,344)</u>
	<u>1,894,622</u>	<u>1,448,571</u>

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

	2022	2021
	JD	JD
Beginning balance	68,977	88,737
Provision for the year	22,176	8,005
Reversals during the year	<u>(41,449)</u>	<u>(27,765)</u>
Ending balance	<u>49,704</u>	<u>68,977</u>

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

	2022	2021
	JD	JD
Beginning balance	1,344	1,518
Reversals during the year	<u>(312)</u>	<u>(174)</u>
Ending balance	<u>1,032</u>	<u>1,344</u>



(12) ACCOUNTS RECEIVABLE

	2022	2021
	JD	JD
Accounts receivable	4,816,863	3,670,935
Provision for expected credit losses	<u>(1,427,769)</u>	<u>(1,595,224)</u>
	<u>3,389,094</u>	<u>2,075,711</u>

Movements on provision for expected credit losses were as follows:

	2022	2021
	JD	JD
Beginning balance	1,595,224	1,570,579
Provision for the year*	1,125	103,323
Reversals during the year**	(152,407)	(78,678)
Amounts written off during the year	<u>(16,173)</u>	<u>-</u>
Ending balance	<u>1,427,769</u>	<u>1,595,224</u>

* Provision for the year was allocated to administrative expenses (Note 23) in the amount of JD 1,125 (2021: JD 42,112) and to operating expenses in the amount of nil (2021: JD 61,211).

** Reversals during the year were added to other income (Note 21) in the amount of JD 152,407 (2021: nil) and to operating revenues in the amount of nil (2021: JD 78,678).

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	
2022	538,754	2,850,340	-	-	-	3,389,094
2021	1,141,641	456,656	290,600	41,514	145,300	2,075,711

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

(13) OTHER CURRENT ASSETS

	2022	2021
	JD	JD
Aqaba Special Economic Zone Authority *	1,333,375	1,333,375
Refundable deposits	691,182	691,182
Prepaid expenses	310,285	371,051
Others	479,221	484,860
	<u>2,814,063</u>	<u>2,880,468</u>
Non-current portion	1,333,375	-
Current portion	<u>1,480,688</u>	<u>2,880,468</u>
	<u>2,814,063</u>	<u>2,880,468</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 2021. In 2022, the two subsidiaries agreed with ASEZA to postpone last instalment due on 1 June 2022 for two years in light of repercussions of COVID-19. On 20 November 2022, the Group agreed with the Authority to postpone last instalment. Accordingly, the final instalment would be due at the latest by 30 June 2024.



(14) CASH ON HAND AND AT BANKS

	2022	2021
	JD	JD
Cash on hand	83,714	65,329
Current accounts	12,820,249	11,075,122
Term deposits *	<u>13,081,811</u>	<u>4,128,082</u>
	<u>25,985,774</u>	<u>15,268,533</u>

*Term deposits are fixed for 1 to 3 months and earn annual interest rate ranging from 4% to 5% per annum (2021: 1.9% to 3.25% per annum).

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

	2022	2021
	JD	JD
Cash on hand and at banks	25,985,774	15,268,533
Due to banks (Note 17)	-	<u>(5,394,281)</u>
	<u>25,985,774</u>	<u>9,874,252</u>

(15) EQUITY

Paid-in Capital -

The Company's authorized and paid-in capital is 150,000,000 shares of JD 1 par value each as of 31 December 2022 and 2021.

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.



(16) LOANS

This item consists of loans utilized from the following parties:

	Currency	Loans instalments					
		2022			2021		
		Short Term	Long Term	Total	Short Term	Long Term	Total
		JD	JD	JD	JD	JD	JD
Bank al Etihad – Jordan Hotels and Tourism Co.	JOD	266,666	522,194	788,860	-	425,188	425,188
Cairo Amman Bank – Jordan Hotels and Tourism Co.	JOD	-	2,000,000	2,000,000	166,664	833,336	1,000,000
Cairo Amman Bank – Jordan Himmeh Mineral Co.	JOD	230,769	2,422,719	2,653,488	-	1,408,049	1,408,049
Cairo Amman Bank – Nabatean Hotels Co. 1	JOD	307,694	794,756	1,102,450	-	1,029,335	1,029,335
Cairo Amman Bank – Nabatean Hotels Co. 2	JOD	-	2,000,000	2,000,000	166,664	765,395	932,059
Cairo Amman Bank – Amman Tourism Investment Co. 1	JOD	307,694	1,692,306	2,000,000	-	2,000,000	2,000,000
Cairo Amman Bank – Amman Tourism Investment Co. 2	JOD	-	2,000,000	2,000,000	166,664	833,336	1,000,000
Cairo Amman Bank – National Hotels and Tourism Co. 1	JOD	-	230,151	230,151	-	-	-
Cairo Amman Bank – National Hotels and Tourism Co. 2	JOD	-	2,000,000	2,000,000	166,664	833,336	1,000,000
Cairo Amman Bank – Red Sea Hotels Co. 1	JOD	43,008	-	43,008	-	43,008	43,008
Cairo Amman Bank – Red Sea Hotels Co. 2	JOD	-	1,450,898	1,450,898	141,664	121,306	262,970
Cairo Amman Bank – Zara South Coast Development Co.	JOD	-	<u>1,699,952</u>	<u>1,699,952</u>	<u>141,664</u>	<u>122,905</u>	<u>264,569</u>
		1,155,831	16,812,976	17,968,807	949,984	8,415,194	9,365,178
Less: Unearned government grants (Note 18)		<u>(60,774)</u>	<u>(2,620,332)</u>	<u>(2,681,106)</u>	<u>(23,208)</u>	<u>(813,330)</u>	<u>(836,538)</u>
		<u>1,095,057</u>	<u>14,192,644</u>	<u>15,287,701</u>	<u>926,776</u>	<u>7,601,864</u>	<u>8,528,640</u>



- Bank Al Etihad – Jordan Hotels and Tourism Company - JD

On 2 March 2021, Jordan Hotels and Tourism Company signed a loan agreement in the amount of JD 2,000,000 backed by the Central Bank of Jordan to reinforce the tourism sector. The loan was granted to finance renovation projects at the Company's Hotel. The loan term is 9 years including a 24-month grace period and is repayable in 15 equal semi-annual instalments (excluding interest) of JD 133,333 each commencing on 30 April 2023 except for the last instalment which represents the remaining balance of the loan due on 30 April 2030 with an annual interest rate of 3.5%

Withdrawals are against the borrower presenting invoices and claims received from contractors and suppliers reflecting progress of the project as approved by the consultant engineer.

The unutilized portion of the loans amounted to JD 1,211,140 as at 31 December 2022 (31 December 2021: JD 1,574,812).

- Cairo Amman Bank – Jordan Hotels and Tourism Company - JD

On 8 June 2020, the Jordan Hotels and Tourism Company signed a loan agreement in the amount of JD 1,000,000 backed by the Central Bank of Jordan to reinforce tourism. On 27 July 2021, the loan ceiling was increased by JD 1,000,000 to become JD 2,000,000. The loan was granted to finance the operating expenditures for the hotel. The loan term is 10 years including a 24-month grace period and is repayable in 96 equal monthly instalments (excluding interest) of JD 20,833 each commencing on 30 May 2022 until full payment except for the last instalment, which represents the remaining loan balance and is due on 30 April 2030 with an interest rate of 3%, in order to mitigate the repercussions of COVID-19.

On 18 April 2022, the loan was rescheduled to increase grace period from 24 months to 48 months, such that the loan is repayable in 72 equal monthly instalments of JD 27,777 commencing on 30 May 2024 and ending on 30 April 2030.

The Company has utilized the full loan balance during 2022.

- Cairo Amman Bank - Jordan Himmeh Mineral Company - JD

On 4 September 2019, Jordan Himmeh Mineral Company signed a loan agreement in the amount of JD 2,000,000 backed by the Central Bank of Jordan to reinforce tourism. The loan was granted to partly finance the construction of the ecolodge resort at Himmeh in the northern part of the Kingdom. The loan term is 10 years including a 30-month grace period and is repayable in 16 equal semi-annual instalments of JD 125,000 each commencing on 31 December 2021 at annual interest rate of 3.5%. During April 2020, the loan was rescheduled in which the interest rate was reduced to 3% starting from 1 April 2020 and the number of instalments to 13 semi-annual instalments in the amount of JD 153,847, the first instalment is due on 30 September 2023.

On 17 May 2021 the loan ceiling was increased by JD 1,000,000 to become JD 3,000,000. The semi-annual instalments were also increased to become JD 230,769, the first instalment is due on 30 September 2023.

Withdrawals are against the borrower presenting invoices and claims received from contractors and suppliers reflecting progress of the project as approved by the consultant engineer.

The unutilized portion of the loans amounted to JD 346,512 as at 31 December 2022 (31 December 2021: JD 1,591,951).



- Cairo Amman Bank - Nabatean Hotels Company 1 - JD

On 25 August 2019, Nabatean Hotels Company signed a loan agreement in the amount of JD 2,000,000 backed by the Central Bank of Jordan to reinforce tourism. The loan was granted to finance the renovation of Movenpick Resort Petra and Movenpick Nabatean Castle Hotel. The loan term is 10 years including a 30-month grace period and is repayable in 16 equal semi-annual instalments of JD 125,000 each commencing on 31 December 2021 with an interest rate of 3.75%.

During April 2020, the loan was rescheduled in which the interest rate was reduced to 3.25% starting from 1 April 2020 and the number of instalments to 13 semi-annual instalments in the amount of JD 153,847, the first instalment is due on 30 June 2023.

Withdrawals are against the borrower presenting invoices and claims received from contractors and suppliers reflecting progress of the project as approved by the consultant engineer.

The unutilized portion of the loans amounted to JD 897,550 as at 31 December 2022 (31 December 2021: JD 970,665).

- Cairo Amman Bank - Nabatean Hotels Company 2 - JD

On 5 July 2020, Nabatean Hotels Company signed a loan agreement in the amount of JD 1,000,000 backed by the Central Bank of Jordan to reinforce tourism, and on 18 July 2021, the loan ceiling was increased by JD 1,000,000 to become JD 2,000,000. The loan was granted to finance the operating expenditures at Movenpick Resort Petra and Movenpick Nabatean Castle Hotel. The loan term is 10 years including a 24-month grace period and is repayable in 96 equal monthly instalments of JD 20,833 each commencing on 30 May 2022 and ending on 30 April 2030 with an interest rate of 3%, in order to mitigate the repercussions of COVID-19.

On 18 April 2022, the loan was rescheduled to increase grace period from 24 months to 48 months, the loan is repayable in 72 equal monthly instalments of JD 27,777 commencing on 30 May 2024 and ending on 30 April 2030.

The Company has utilized the full loan balance during 2022.

- Cairo Amman Bank - Amman Tourism Investment Company -1 - JD

On 25 August 2019, Amman Tourism Investment Company signed a loan agreement in the amount of JD 2,000,000 backed by the Central Bank of Jordan to reinforce tourism. The loan was granted to finance 50% of Hyatt Tower apartments renovation project at Grand Hyatt Amman. The loan term is 5 years including 30-month grace period and is repayable in 6 equal semi-annual instalments of JD 333,333 each commencing on 31 December 2021 with an annual interest rate of 4.25%. During April 2020, the loan was rescheduled, and the interest rate was reduced to 3.5% effective 1 April 2020 along with increasing the loan tenure to 10 years and the number of instalments to 13 semi-annual instalments each amounting to JD 153,847, commencing on 30 June 2023.

Withdrawals are against the borrower presenting invoices and claims received from contractors and suppliers reflecting progress of the project as approved by the consultant engineer.

The Company has utilized the full loan balance during 2020.



- Cairo Amman Bank - Amman Tourism Investment Company -2- JD

On 5 July 2020, the Amman Tourism Investment Company signed a loan agreement in the amount of JD 1,000,000 backed by the Central Bank of Jordan to reinforce tourism, and on 25 July 2021, the loan ceiling was increased by JD 1,000,000 to become JD 2,000,000. The loan was granted to finance operating expenses of Grand Hyatt Amman Hotel. The loan term is 10 years including 24-month grace period and is repayable in 96 equal monthly instalments of JD 20,833 each commencing on 30 May 2022 and ending on 30 April 2030 with an annual interest rate of 3%, in order to mitigate the repercussions of COVID-19.

On 18 April 2022, the loan was rescheduled to increase grace period from 24 months to 48 months, the loan is repayable in 72 equal monthly instalments of JD 27,777 commencing on 30 May 2024 and ending on 30 April 2030.

The Company has utilized the full loan balance during 2022.

- Cairo Amman Bank – National Hotels and Tourism Company -1- JD

On 15 March 2021, National Hotels and Tourism Company signed a loan agreement in the amount of JD 2,000,000 backed by the Central Bank of Jordan to reinforce tourism. The loan was granted to finance the renovation of Movenpick Dead Sea Resort. The loan term is 10 years including a 36-month grace period and is repayable in 14 equal semi-annual instalments of JD 142,857 each commencing on 30 June 2024 with an interest rate of 3%.

Withdrawals are against the borrower presenting invoices and claims received from contractors and suppliers reflecting progress of the project as approved by the consultant engineer.

The unutilized portion of the loans amounted to JD 1,769,849 as at 31 December 2022 (31 December 2021: 2,000,000).

- Cairo Amman Bank – National Hotels and Tourism Company -2- JD

On 5 July 2020, National Hotels and Tourism Company signed a loan agreement in the amount of JD 1,000,000 backed by the Central Bank of Jordan to reinforce tourism. And on 18 July 2021, the loan ceiling was increased by JD 1,000,000 to become JD 2,000,000. The loan was granted to finance the operating expenditures at Movenpick Dead Sea Resort. The loan term is 10 years including a 24-month grace period and is repayable in 96 equal monthly instalments of JD 20,833 each commencing on 30 May 2022 and ending on 30 April 2030 with an interest rate of 3%, in order to mitigate the repercussions of COVID-19.

On 18 April 2022, the loan was rescheduled to increase grace period from 24 months to 48 months, the loan is repayable in 72 equal monthly instalments of JD 27,777 commencing on 30 May 2024 and ending on 30 April 2030.

The Company has utilized the full loan balance during 2022.

- Cairo Amman Bank - Red Sea Hotels Company -1- JD

On 3 September 2019, the Red Sea Hotels Company signed a loan agreement in the amount of JD 2,000,000 backed by the Central Bank of Jordan to reinforce tourism. The loan was granted to finance renovation projects at Movenpick Aqaba Resort. The loan term is 10 years including a 30-month grace period and is repayable in 16 equal semi-annual instalments of JD 125,000 each commencing on 31 December 2021 with an interest rate of 3.75%. During April 2021, the loan was rescheduled and the interest rate was reduced to 3.25% effective 1 April 2020 along with decreasing semi-annual instalments to 13 each amounting to JD 153,847, commencing on 30 June 2023.

Withdrawals are against the borrower presenting invoices and claims received from contractors and suppliers reflecting progress of the project as approved by the consultant engineer.

The unutilized portion of the loans amounted to JD 1,956,992 as at 31 December 2022 (31 December 2021: JD 1,956,992).

- Cairo Amman Bank - Red Sea Hotels Company -2- JD

On 5 July 2020, the Red Sea Hotels Company signed a loan agreement in the amount of JD 1,000,000 backed by the Central Bank of Jordan to reinforce tourism. And on 25 July 2021, the loan ceiling was increased by JD 700,000 to become JD 1,700,000. The loan was granted to finance the operating expenditures at Movenpick Aqaba Resort. The loan term is 10 years including a 24-month grace period and is repayable in 96 equal monthly instalments of JD 17,708 each commencing on 30 May 2022 and ending on 30 April 2030 with an interest rate of 3%, in order to mitigate the repercussions of COVID-19.

On 18 April 2022, the loan was rescheduled to increase grace period from 24 months to 48 months, the loan is repayable in 72 equal monthly instalments of JD 23,611 commencing on 30 May 2024 and ending on 30 April 2030.

The unutilized portion of the loans amounted to JD 249,102 as at 31 December 2022 (31 December 2021: JD 1,437,030).

- Cairo Amman Bank - Zara South Coast Development Company - JOD

On 5 July 2020, the Zara South Coast Development Company signed a loan agreement in the amount of JD 1,000,000 backed by the Central Bank of Jordan to reinforce tourism. And on 25 July 2021, the loan ceiling was increased by JD 700,000 to become JD 1,700,000. The loan was granted to finance the operating expenditures at Movenpick Tala Bay Aqaba Resort. The loan term is 10 years including a 24-month grace period and is repayable in 96 equal monthly instalments of JD 17,708 each commencing on 30 May 2022 and ending on 30 April 2030 with an interest rate of 3%, in order to mitigate the repercussions of COVID-19.

On 18 April 2022, the loan was rescheduled to increase grace period from 24 months to 48 months, the loan is repayable in 72 equal monthly instalments of JD 23,611 commencing on 30 May 2024 and ending on 30 April 2030.

The Company has utilized the full loan balance during 2022.

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

Year	JD
2024	2,840,383
2025	3,232,414
2026	2,848,560
2027	2,669,192
2028 and thereafter	<u>5,222,427</u>
Total	<u>16,812,976</u>

(17) DUE TO BANKS

This item represents the balance of overdraft facilities granted to the Company from Cairo Amman Bank with ceiling of USD 15,000,000, with annual interest rate of %6.90 per annum (2021: 4.25%). The amounts due to banks were fully paid during 2022.



(18) OTHER CURRENT LIABILITIES

	2022	2021
	JD	JD
Social Security Corporation deposits *	5,511,915	4,836,573
Unearned government grants**	3,601,438	1,703,637
Accrued expenses	2,644,044	1,386,038
Guest deposits	1,382,260	1,200,013
Deferred grant income ***	1,199,984	1,399,981
Contractors' accruals and retentions	653,923	373,480
Cooling units	201,089	340,254
Sales tax deposits	37,192	37,696
Others	<u>543,348</u>	<u>590,778</u>
	<u>15,775,193</u>	<u>11,868,450</u>
Non-current portion	8,861,420	7,711,024
Current portion	<u>6,913,773</u>	<u>4,157,426</u>
	<u>15,775,193</u>	<u>11,868,450</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 920,332 and 2,681,106 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 (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 2022, an amount of JD 199,997 was recognized in the consolidated statement of profit or loss (2021: JD 199,997) (Note 21).

(19) OTHER PROVISIONS

	Legal claims	Employees' benefits	Other provisions	Total
	JD	JD	JD	JD
2022 -				
Beginning balance	109,851	268,468	388,796	767,115
Provision for the year	-	90,864	-	90,864
Recovered from provision (Note 21)	(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>
2021 -				
Beginning balance	9,851	197,740	383,396	590,987
Provision for the year	100,000	101,850	5,400	207,250
Paid during the year	<u>-</u>	<u>(31,122)</u>	<u>-</u>	<u>(31,122)</u>
Ending balance	<u>109,851</u>	<u>268,468</u>	<u>388,796</u>	<u>767,115</u>



(20) 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
2022 -				
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>
Net operating revenues	<u>14,698,682</u>	<u>677,152</u>	<u>-</u>	<u>15,375,834</u>

Other information -				
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
Segment 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 department 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>



	Hotels Segment *	Other Segments	Eliminations	Total
	JD	JD	JD	JD
2021 -				
Operating revenues	32,853,892	808,991	(302,622)	33,360,261
Operating expenses	<u>(30,805,026)</u>	<u>(494,702)</u>	<u>302,622</u>	<u>(30,997,106)</u>
Net operating revenues	<u>2,048,866</u>	<u>314,289</u>	<u>-</u>	<u>2,363,155</u>
Other information –				
Segment assets	200,299,184	58,762,924	(60,733,785)	198,328,323
Segment liabilities	73,651,248	25,777,225	(60,733,785)	38,694,688
Depreciation	8,268,906	31,047	-	8,299,953
Provision for expected credit losses	61,921	41,402	-	103,323
Interest income	89,864	21,141	-	111,005
Finance costs	656,696	209,571	-	866,267
Capital expenditures	4,266,079	17,438	-	4,283,517
Segment non-current assets	165,526,533	11,128,507	-	176,655,040



* 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	3,453,203	2,658,524	3,722,299	1,025,660	3,263,167	359,360	4,414,643	18,896,856
Food and beverage revenue	3,610,715	2,345,914	2,419,670	571,537	1,229,446	158,443	1,879,612	12,215,337
Other department revenue	<u>425,722</u>	<u>252,936</u>	<u>694,103</u>	<u>77,500</u>	<u>95,790</u>	<u>28,127</u>	<u>167,521</u>	<u>1,741,699</u>
	<u>7,489,640</u>	<u>5,257,374</u>	<u>6,836,072</u>	<u>1,674,697</u>	<u>4,588,403</u>	<u>545,930</u>	<u>6,461,776</u>	<u>32,853,892</u>
Operating expenses -								
Rooms expenses	842,465	584,083	747,140	270,430	679,725	98,666	684,798	3,907,307
Food and beverage expenses	2,541,140	1,556,020	1,612,381	504,881	1,031,662	163,750	1,311,022	8,720,856
Other departments expenses	287,380	101,632	458,780	15,575	191,011	164	296,254	1,350,796
Administrative and marketing expenses	3,183,642	2,985,705	3,227,958	1,093,902	2,451,092	358,079	2,800,589	16,100,967
Other expenses	<u>180,560</u>	<u>9,531</u>	<u>83,677</u>	<u>44,131</u>	<u>136,308</u>	<u>17,714</u>	<u>253,179</u>	<u>725,100</u>
	<u>7,035,187</u>	<u>5,236,971</u>	<u>6,129,936</u>	<u>1,928,919</u>	<u>4,489,798</u>	<u>638,373</u>	<u>5,345,842</u>	<u>30,805,026</u>
Net operating revenue	<u>454,453</u>	<u>20,403</u>	<u>706,136</u>	<u>(254,222)</u>	<u>98,605</u>	<u>(92,443)</u>	<u>1,115,934</u>	<u>2,048,866</u>



(21) OTHER INCOME

	2022	2021
	JD	JD
Reversal of other provisions (Note 19)	398,915	-
Rental income, net	353,052	407,985
Grant income (Note 18)	199,997	199,997
Reversal of provision for expected credit losses (Note 12)	152,407	-
Gain on sale and disposal of property and equipment	58,167	21,442
Reversal of other credit balances	46,200	-
Insurance compensation	-	105,863
Others	<u>116,667</u>	<u>135,520</u>
	<u>1,325,405</u>	<u>870,807</u>

(22) FINANCE COSTS

	2022	2021
	JD	JD
Interest expense on operating lease obligations (Note 6)	555,020	488,439
Interest expense on overdraft facilities	438,738	342,390
Others	<u>30,033</u>	<u>35,438</u>
	<u>1,023,791</u>	<u>866,267</u>

(23) ADMINISTRATIVE EXPENSES

	2022	2021
	JD	JD
Salaries and wages	983,708	711,557
Insurance	301,512	295,667
Boards of directors' transportation	192,082	125,673
Professional fees	185,501	134,714
Property tax	179,889	174,166
Termination of lease agreement	175,000	110,000
Termination of fixed-term contracts	175,000	-
Rent	167,123	167,123
Social security	136,099	128,848
Subscriptions	54,347	57,147
Governmental expenses	34,468	106,558
Water and electricity	33,607	43,002
Postage and telephone	28,301	16,683
Bank commissions and charges	27,261	16,432
Withholding tax	26,397	18,110
Security	19,800	20,460
Donations	16,241	14,361
Maintenance	14,984	12,330
Travel and transportation	9,360	2,156
Hospitality	6,616	4,962
Advertising and marketing	4,984	2,054
Provision for expected credit losses (Note 12)	1,125	42,112
Others	<u>179,515</u>	<u>108,283</u>
	<u>2,952,920</u>	<u>2,312,398</u>



(24) NON-CONTROLLING INTERESTS

This item represents the subsidiaries' net equity after deducting the Company's direct and indirect interests in these subsidiaries

(25) 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 2022 and 2021, 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:

	2022	2021
	JD	JD
Current year income tax	18,439	2,898
Prior years' income tax	55,292	1,716
Deferred tax liabilities	1,137,764	14,033
Deferred tax benefits	<u>(290,934)</u>	<u>(1,376,194)</u>
	<u>920,561</u>	<u>(1,357,547)</u>

Provision for income tax -

Movement on provision for income tax were as follows:

	2022	2021
	JD	JD
Beginning balance	83,812	83,348
Income tax for the year	18,439	2,898
Prior years' income tax	55,292	1,716
Income tax paid	<u>(88,890)</u>	<u>(4,150)</u>
Ending balance	<u>68,653</u>	<u>83,812</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 2021.

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	2020	-
Nabatean Hotels Co. LLC	2018	-
Amman Tourism Investment Co. LLC	2019	-
Rum Hotels and Tourism Co. LLC	2020	-
Oasis Hotels Co. LLC	2020	-
National Hotels and Tourism Co. LLC	2020	-
Jordan Hotel Supplies Trading Co. LLC	2019	2019
Red Sea Hotels Co. LLC	-	2019
Zara Agricultural Co. LLC – Under liquidation	2022	-
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 (loss) and taxable loss is as follows:

	2022	2021
	JD	JD
Accounting profit (loss) before income tax	4,485,919	(8,320,967)
Profit (losses) of the Company and some subsidiaries	306,457	350,622
Carried forward losses	(7,652,077)	(307,804)
Non-taxable income	(1,889,997)	(1,552,659)
Depreciation differences	311,487	115,089
Non-deductible expenses	<u>3,443,670</u>	<u>2,057,831</u>
Taxable loss	<u>(994,541)</u>	<u>(7,657,888)</u>
Income tax expense	<u>-</u>	<u>-</u>
Statutory income tax rate	6% - 21%	6% - 21%
Effective income tax rate	-	-

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:

	2022	2021
	JD	JD
Beginning balance	5,048,749	3,682,946
Tax effect of changing the tax rate	-	134,834
Tax effect of accumulated tax losses carried forward	232,559	1,250,512
Tax effect of accumulated tax losses released	<u>(1,135,531)</u>	<u>(19,543)</u>
Ending balance	<u>4,145,777</u>	<u>5,048,749</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:

	2022					2021
	Beginning Balance	Losses Added	Losses Released	Ending Balance	Deferred Tax	
	JD	JD	JD	JD	JD	
Jordan Hotels & Tourism Co.	5,442,024	-	(184,015)	5,258,009	1,104,182	1,142,825
Nabatean Hotels Co.	3,618,977	-	(2,997,211)	621,766	68,394	398,087
Amman Tourism Investment Co.	10,697,102	1,107,425	(1,637,116)	10,167,411	2,135,156	2,246,391
National Hotels & Tourism Co.	3,782,573	-	(1,972,903)	1,809,670	199,064	416,083
Jordan Hotel Supplies Trading Co. - Amman	34,778	-	(34,778)	-	-	7,303
Jordan Hotel Supplies Trading Co. - Aqaba	62,107	-	(62,107)	-	-	3,726
Red Sea Hotels Co.	2,173,395	-	(655,374)	1,518,021	91,081	130,404
Zara South Coast Development Co.	<u>11,732,161</u>	<u>-</u>	<u>(2,600,514)</u>	<u>9,131,647</u>	<u>547,900</u>	<u>703,930</u>
	<u>37,543,117</u>	<u>1,107,425</u>	<u>(10,144,018)</u>	<u>28,506,524</u>	<u>4,145,777</u>	<u>5,048,749</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:

	2022	2021
	JD	JD
Beginning balance	308,973	301,522
Change in fair value of financial assets (note 9)	(15,775)	3,809
Depreciation differences related to machinery and equipment and computer hardware and software, net	<u>(56,142)</u>	<u>3,642</u>
Ending balance	<u>237,056</u>	<u>308,973</u>

(26) BASIC AND DILUTED EARNINGS (LOSSES) PER SHARE

	2022	2021
	JD	JD
Profit (loss) attributable to equity owners of the company (JD)	3,630,713	(6,127,622)
Weighted average number of shares (Share)	<u>150,000,000</u>	<u>150,000,000</u>
Basic profit (loss) per share (JD/Fils)	<u>0/024</u>	<u>(0/041)</u>

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

(27) CONTINGENT LIABILITIES

The Group has outstanding bank guarantees of JD 149,096 as at 31 December 2022 (2021: JD 209,841).

(28) 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 2022 (2021: JD 264,874). Management and the legal advisor believe that the Group's position holds strong against these lawsuits and no need for any provision except for what has been recorded. The Group is plaintiff in lawsuits against others in the amount of JD 807,835 as at 31 December 2022 (2021: JD 807,835).



(29) 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	
	2022	2021		2022	2021
	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	2,000,000	2,000,000	Himmeh Resort	77.8	77.9
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 - under liquidation	100,000	100,000	Plants	54.3	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	14,000	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	2022	2021
		JD	JD
Non-Current assets-			
Advance payments for land purchases (Note 10)	(Registered to Chairman of Board of Directors)	<u>111,200</u>	<u>111,200</u>
Current assets-			
Cash at banks -			
Arab Bank, Etihad Bank and Cairo Amman Bank	(Shareholders)	<u>25,892,336</u>	<u>15,202,368</u>
Accounts receivable-			
Amounts due from Cairo Amman Bank	(Shareholder)	<u>16,765</u>	<u>11,420</u>
Non-current liabilities -			
Loans -			
Cairo Amman Bank and Bank al Etihad	(Shareholders)	<u>16,812,976</u>	<u>8,415,194</u>
Current liabilities-			
Due to banks -			
Cairo Amman Bank	(Shareholder)	<u>-</u>	<u>5,394,281</u>
Current portion of long-term loans -			
Cairo Amman Bank	(Shareholder)	<u>1,155,831</u>	<u>949,983</u>



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

	Nature of the relationship	2022	2021
		JD	JD
Interest income – Cairo Amman Bank and Bank al Etihad	(Shareholders)	<u>234,121</u>	<u>111,005</u>
Rent income – Cairo Amman Bank	(Shareholder)	<u>96,157</u>	<u>253,912</u>
Finance costs – Cairo Amman Bank	(Shareholder)	<u>438,738</u>	<u>342,390</u>
Rent expense – Astra Investment Company	(Owned by Chairman and Vice-Chairman of the Group)	<u>147,373</u>	<u>148,968</u>

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

	2022	2021
	JD	JD
Salaries, compensation and other benefits	<u>197,500</u>	<u>182,700</u>
Boards of directors' remuneration and transportation	<u>192,082</u>	<u>131,073</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:

2022-	Jordan Hotels & Tourism Co. PSC	Jordan Himmeh Mineral Co. PSC	Rum Hotels & Tourism Co. LLC	Oasis Hotels Co. LLC
Group's ownership percentage	51.6%	77.8%	82.1%	92.2%
Country of incorporation and operation	Jordan	Jordan	Jordan	Jordan
Accumulated balance of non-controlling interests (JD)	11,437,250	438,763	69,004	47,651
Non-controlling interests share of (loss) profit (JD)	(298,657)	1,427	(507)	(286)
	JD	JD	JD	JD
Condensed statement of financial position:				
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>
Attributable to:				
Shareholders of the parent	12,215,099	1,541,089	317,418	562,289
Non-controlling interests	11,437,250	438,763	69,004	47,651
Condensed statement of profit or loss:				
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>	-	-	-
(Loss) profit for the year	<u>(617,628)</u>	<u>6,438</u>	<u>(2,839)</u>	<u>(3,664)</u>
Other comprehensive income	<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>
Profit distributions to non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Condensed statement of cash flows:				
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>
Net increase (decrease) in cash and cash equivalents	<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
54.3%	82%	82%	84.8%	93.6%
Jordan	Jordan	Jordan	Jordan	Jordan
62,868	1,737,216	720,454	3,795,877	584
(595)	(854)	(712)	235,016	(187)
JD	JD	JD	JD	JD
141,774	3,706,182	1,622,364	7,296,386	159,625
-	5,946,771	2,137,402	22,046,164	346
(4,328)	(1,756)	(2,577)	(1,592,971)	(150,793)
-	-	-	(2,807,190)	-
<u>137,446</u>	<u>9,651,197</u>	<u>4,002,525</u>	<u>24,942,389</u>	<u>9,178</u>
74,578	7,913,981	3,282,070	21,146,512	8,595
62,868	1,737,216	720,454	3,795,877	584
-	-	-	9,899,619	-
(1,350)	(4,745)	(3,958)	(8,207,836)	(2,922)
50	2	2	61,025	-
-	-	-	(54,126)	(12)
(1,300)	(4,743)	(3,956)	1,698,682	(2,934)
-	-	-	(154,410)	-
<u>(1,300)</u>	<u>(4,743)</u>	<u>(3,956)</u>	<u>1,544,272</u>	<u>(2,934)</u>
<u>(1,300)</u>	<u>(4,743)</u>	<u>(3,956)</u>	<u>1,544,272</u>	<u>(2,934)</u>
<u>(595)</u>	<u>(854)</u>	<u>(712)</u>	<u>235,016</u>	<u>(187)</u>
-	-	-	-	-
(5)	(3,995)	(3,208)	2,568,175	2,706
50	2	2	(367,119)	-
-	<u>4,109</u>	<u>3,323</u>	<u>(935,869)</u>	<u>(5,227)</u>
<u>45</u>	<u>116</u>	<u>117</u>	<u>1,265,187</u>	<u>(2,521)</u>



2021 -	Jordan Hotels & Tourism Co. PSC	Jordan Himmeh Mineral Co. PSC	Rum Hotels & Tourism Co. LLC	Oasis Hotels Co. LLC
Group's ownership percentage	51.6%	71.6%	82.1%	92.2%
Country of incorporation and operation	Jordan	Jordan	Jordan	Jordan
Accumulated balance of non-controlling interests (JD)	11,735,908	436,350	69,511	47,936
Non-controlling interests share of (loss) profit (JD)	(873,377)	(2,086)	(424)	(249)
	JD	JD	JD	JD
Condensed statement of financial position:				
Current assets	4,467,923	1,103,308	2,977	80,334
Non-current assets	27,455,408	2,658,326	611,651	534,788
Current liabilities	(3,264,004)	(380,171)	(225,366)	(1,519)
Non-current liabilities	<u>(4,389,350)</u>	<u>(1,408,049)</u>	-	-
Equity	<u>24,269,977</u>	<u>1,973,414</u>	<u>389,262</u>	<u>613,603</u>
Attributable to:				
Shareholders of the Company	12,534,069	1,537,064	319,751	565,667
Non-controlling interests	11,735,908	436,350	69,511	47,936
Condensed statement of profit or loss:				
Revenues	7,622,787	-	-	-
Expenses	(9,761,508)	(28,208)	(2,381)	(3,187)
Other revenues	91,644	18,774	4	3
Finance cost	<u>(166,408)</u>	-	-	-
(Loss) profit before income tax	(2,213,485)	(9,434)	(3,072)	(3,184)
Income tax expense	<u>407,331</u>	-	-	-
(Loss) Profit for the year	<u>(1,806,154)</u>	<u>(9,434)</u>	<u>(2,377)</u>	<u>(3,184)</u>
Other comprehensive income	<u>(1,806,154)</u>	<u>(9,434)</u>	<u>(2,377)</u>	<u>(3,184)</u>
Attributable to non-controlling interests	<u>(873,377)</u>	<u>(2,086)</u>	<u>(424)</u>	<u>(249)</u>
Profit distributions to non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Condensed statement of cash flows				
Operating activities	303,691	298,576	(3,177)	(4,054)
Investing activities	(561,608)	(1,579,757)	4	3
Financing activities	<u>2,301,023</u>	<u>1,632,848</u>	<u>241</u>	<u>238</u>
Net increase (decrease) increase in cash and cash equivalents	<u>2,043,106</u>	<u>351,667</u>	<u>(2,932)</u>	<u>(3,813)</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
54.3%	82%	82%	84.8%	93.6%
Jordan	Jordan	Jordan	Jordan	Jordan
63,463	1,738,069	721,167	3,560,860	134
(497)	(881)	(762)	42,667	(189)
JD	JD	JD	JD	JD
141,598	4,800,284	1,870,905	3,807,406	85,433
-	4,856,662	2,137,403	22,486,419	578
(2,851)	(1,006)	(1,828)	(2,107,055)	(83,899)
-	-	-	(788,653)	-
<u>138,747</u>	<u>9,655,940</u>	<u>4,006,480</u>	<u>23,398,117</u>	<u>2,112</u>
75,284	7,917,871	3,285,313	19,837,257	1,978
63,463	1,738,069	721,167	3,560,860	134
-	-	-	6,461,776	-
(1,135)	(4,901)	(4,234)	(6,258,845)	(2,967)
49	4	3	22,700	-
-	-	-	(49,574)	(2)
(1,086)	(4,897)	(4,231)	176,057	(2,969)
-	-	-	104,306	-
<u>(1,086)</u>	<u>(4,897)</u>	<u>(4,231)</u>	<u>280,363</u>	<u>(2,969)</u>
<u>(1,086)</u>	<u>(4,897)</u>	<u>(4,231)</u>	<u>280,363</u>	<u>(2,969)</u>
<u>(497)</u>	<u>(881)</u>	<u>(762)</u>	<u>42,667</u>	<u>(189)</u>
-	-	-	-	-
(3)	(5,149)	(4,482)	830,154	(2,078)
49	4	(5,503)	(203,305)	-
-	2,261	6,549	586,207	45,792
<u>46</u>	<u>(2,884)</u>	<u>(3,436)</u>	<u>1,213,056</u>	<u>43,714</u>



(31) RISK MANAGEMENT

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:

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

2021 -	Increase in interest rate	Effect on loss for the year before income tax
	(Basis Points)	JD
JD	75	79,735

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 –

Equity price risk is the risk that may result from a change in Amman Stock Exchange index. The Group believes that it is not significantly exposed to equity price risk.

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:

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

2021 -	Increase in market index	Effect on the consolidated statement of comprehensive income and equity
	(%)	JD
Amman Stock Exchange	10	432,004

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 2022 and 2021.



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 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	-	1,194,254	14,699,822	2,630,602	18,524,678
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>

As at 31 December 2021	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	3,517,491	373,480	5,247,341	-	9,138,312
Due to banks	5,591,172	-	-	-	5,591,172
Lease obligations	329,791	1,243,278	7,302,548	6,039,276	14,914,893
Loans	-	978,484	8,204,772	477,681	9,660,937
Total	<u>9,438,454</u>	<u>2,595,242</u>	<u>20,754,661</u>	<u>6,516,957</u>	<u>39,305,314</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.

(32) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, accounts receivable and some other current assets.

Financial liabilities consist of due to banks, loans, accounts payable and some other current liabilities.

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

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

31 December 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>

31 December 2021			
Level 1	Level 2	Level 3	Total
JD	JD	JD	JD

Financial assets at fair value through other comprehensive income:

Quoted	<u>655,518</u>	<u>-</u>	<u>3,664,523</u>	<u>4,320,041</u>
	<u>655,518</u>	<u>-</u>	<u>3,664,523</u>	<u>4,320,041</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.

(33) CAPITAL MANAGEMENT

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

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

Capital comprises of paid-in capital, statutory reserve, voluntary reserve, cumulative change in fair value and accumulated losses and is measured at JD 143,898,963 as at 31 December 2022 (2021: JD 141,260,237).



(34) 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.

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.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard is not applicable to the Group.

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

In January 2020, 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.

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.

The amendments are not expected to have a material impact on 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 for annual reporting periods beginning on or after 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 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 to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group accounting policy disclosures.

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 for annual reporting periods beginning on or after January 1, 2023. Early adoption is permitted.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group accounting policy disclosures.




(35) COMPARATIVE FIGURES

Some of 2021 figures have been reclassified in order to conform with the presentation of 2022 figures. Such reclassification did not affect previously reported loss or equity for the year 2021.



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 28th ordinary general assembly report held on 19/04/2022 and its approval.
2. Voting on the Board of Directors report for the year ended 31/12/2022 and its approval.
3. Voting on the Company's consolidated financial statements for the year ended 31/12/2022 and its approval.
4. Release of the Board of Directors for the year ended 31/12/2022 in accordance with the law.
5. Election of the Company's independent auditors the year ended 31/12/2023 and determination of their fees, or otherwise authorizing the Board of Directors to do so.

Recommendations to the Extraordinary General Assembly

1. Writing off the accumulated losses amounting to JD 12,173,704 as of 12/31/2022 as follows:
 - a. An amount of JD 5 million of the accumulated losses to be written off using paid-in capital which will be reduced from JD 150 million/share to JD 145 million/share.
 - b. The remainder of the accumulated losses to be written off using statutory and voluntary reserves. The statutory reserve shall be rebuilt in accordance with the provisions of Clause (a) Article (186) of the Jordanian Companies Law.

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

Board of Directors

