

JORDAN HOTELS AND TOURISM COMPANY

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

31 MARCH 2023



**Building a better
working world**

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**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF
JORDAN HOTELS AND TOURISM PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed financial statements of Jordan Hotels and Tourism Public Shareholding Company (the “Company”) as at 31 March 2023, comprising of the interim condensed statement of financial position as at 31 March 2023 and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard IAS 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amman – Jordan
20 April 2023

ERNST & YOUNG
Amman - Jordan

JORDAN HOTELS AND TOURISM PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	31 March 2023 JD (Unaudited)	31 December 2022 JD (Audited)
<u>ASSETS</u>			
Non-current assets -			
Land		751,011	751,011
Property and equipment	3	22,135,160	22,566,290
Projects in progress	4	43,655	22,790
Financial assets at fair value through other comprehensive income		2,400	2,400
Deferred tax assets	5	1,135,914	1,104,183
Right-of-use assets – lease contracts	6	1,871,761	1,914,602
		<u>25,939,901</u>	<u>26,361,276</u>
Current assets -			
Inventories		78,559	83,990
Accounts receivable		613,887	536,045
Other current assets		539,472	243,786
Cash on hand and at banks	7	5,973,305	5,875,987
		<u>7,205,223</u>	<u>6,739,808</u>
TOTAL ASSETS		<u>33,145,124</u>	<u>33,101,084</u>
<u>EQUITY AND LIABILITIES</u>			
Equity -			
Paid-in capital	1	10,000,000	10,000,000
Share premium		505,173	505,173
Statutory reserve	8	2,569,247	2,569,247
Voluntary reserve	8	3,800,824	3,800,824
Fair value reserve		(30,000)	(30,000)
Retained earnings		6,698,803	6,807,105
Total Equity		<u>23,544,047</u>	<u>23,652,349</u>
Liabilities -			
Non-current liabilities -			
Long-term loans	9	2,347,329	2,136,919
Deferred tax liabilities	5	34,087	31,529
Long-term lease obligations	6	1,534,063	1,557,289
Other current liabilities		1,495,795	1,551,762
		<u>5,411,274</u>	<u>5,277,499</u>
Current liabilities -			
Short term portion of long-term loans	9	254,317	254,317
Accounts payable		1,320,229	1,624,167
Due to related parties	10	144,457	110,728
Other current liabilities		2,095,390	1,819,304
Short term lease obligations	6	375,410	362,720
		<u>4,189,803</u>	<u>4,171,236</u>
Total Liabilities		<u>9,601,077</u>	<u>9,448,735</u>
TOTAL EQUITY AND LIABILITIES		<u>33,145,124</u>	<u>33,101,084</u>

The accompanying notes from 1 to 12 form part of these interim condensed financial statements

JORDAN HOTELS AND TOURISM PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2023 (UNAUDITED)

	Notes	For the three months ended 31 March	
		2023	2022
		JD	JD
Operating revenue		3,372,169	2,324,192
Operating expenses		(2,886,903)	(2,344,589)
Net operating income (Loss)	11	485,266	(20,397)
Rental revenue		23,153	20,452
Interest revenue		45,429	5,102
Other revenue		3,359	2,750
Depreciation of property and equipment		(445,186)	(440,163)
Depreciation of right-of-use assets		(42,841)	(42,841)
Finance costs		(21,903)	(7,500)
Interest expense on lease obligations		(42,693)	(46,424)
Administrative expenses		(116,059)	(128,881)
Board of Directors' transportations and remunerations		(26,000)	(14,850)
Loss for the period before income tax		(137,475)	(672,752)
Income tax benefit for the period	5	29,173	140,799
Loss for the period		(108,302)	(531,953)
Add: Other comprehensive income items		-	-
Total comprehensive income for the period		(108,302)	(531,953)
		JD / Fils	JD / Fils
Basic and diluted loss per share		(0/011)	(0/053)

The accompanying notes from 1 to 12 form part of these interim condensed financial statements

JORDAN HOTELS AND TOURISM PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2023 (UNAUDITED)

	Paid-in capital	Share premium	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings	Total Equity
	JD	JD	JD	JD	JD	JD	JD
2023-							
Balance at 1 January	10,000,000	505,173	2,569,247	3,800,824	(30,000)	6,708,105	23,652,349
Total comprehensive income for the period	-	-	-	-	-	(108,302)	(108,302)
Balance at 31 March	<u>10,000,000</u>	<u>505,173</u>	<u>2,569,247</u>	<u>3,800,824</u>	<u>(30,000)</u>	<u>6,698,803</u>	<u>23,544,047</u>
2022-							
Balance at 1 January	10,000,000	505,173	2,569,247	3,800,824	(30,000)	7,424,733	24,269,977
Total comprehensive income for the period	-	-	-	-	-	(531,953)	(531,953)
Balance at 31 March	<u>10,000,000</u>	<u>505,173</u>	<u>2,569,247</u>	<u>3,800,824</u>	<u>(30,000)</u>	<u>6,892,780</u>	<u>23,738,024</u>

The accompanying notes from 1 to 12 form part of these interim condensed financial statements

JORDAN HOTELS AND TOURISM PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2023 (UNAUDITED)

		For the three months ended 31 March	
	Notes	2023	2022
		JD	JD
<u>Operating Activities</u>			
Loss for the period before income tax		(137,475)	(672,752)
Adjustments:			
Depreciation of property and equipment		445,186	440,163
Depreciation of right-of-use assets		42,841	42,841
Finance costs		21,903	7,500
Interest expense on lease obligations		42,693	46,424
Interest revenue		(45,429)	(5,102)
Changes in working capital:			
Inventories		5,431	(34,432)
Accounts receivable		(77,842)	(100,707)
Other current assets		(272,022)	(119,709)
Accounts payable		(339,424)	(57,348)
Related parties		33,729	38,930
Other current liabilities		199,823	278,503
Net cash flows used in operating activities		(80,586)	(135,689)
<u>Investing Activities</u>			
Purchase of property and equipment	3	(14,056)	(23,674)
Projects in progress	4	(20,865)	(88,754)
Interest received		21,765	5,102
Net cash flows used in investing activities		(13,156)	(107,326)
<u>Financing Activities</u>			
Dividends paid to shareholders		(5,141)	(13)
Proceeds from loans		240,847	76,386
Finance costs paid		(26,903)	(7,500)
Other current liabilities		-	10,667
Payment of lease liabilities	6	(17,743)	(17,743)
Cash flows from financing activities		191,060	61,797
Net increase (decrease) in cash and cash equivalents		97,318	(181,218)
Cash and cash equivalents at the beginning of the period		5,875,987	3,828,888
Cash and cash equivalents at the end of the period	7	5,973,305	3,647,670

The accompanying notes from 1 to 12 form part of these interim condensed financial statements

1. GENERAL

Jordan Hotels and Tourism Company (the “Company”) was registered in 1955 as a public shareholding company located in Amman – Hashemite Kingdom of Jordan. The Company increased its capital throughout the years to reach JD 10,000,000 divided into 10,000,000 shares at par value of JD 1 per share. The Company’s main objectives are to invest in real estate and tourism activities.

The Company owns Intercontinental Hotel (the “Hotel”) which is operated and managed by Intercontinental Hotel Corporation (“IHC”) in accordance with the Management Agreement (the “Agreement”) that commenced in the year 1972 and was replaced by another agreement that became effective on 1 January 2008 and was valid until 31 December 2017. The Board of Directors approved the novation, extension and amendment of the Agreement with IHC effective 1 January 2018 for a period of five years. The agreement has been automatically renewed for another five years ending on 31 December 2027.

The interim condensed financial statements were authorized for issue by the Board of Directors in its meeting held on 18 April 2023.

2) BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION

The interim condensed financial statements for the three-month period ended 31 March 2023 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

The interim condensed 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 interim condensed financial statements.

The interim condensed financial statements have been presented in Jordanian Dinar which represents the functional currency of the Company.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company’s annual financial statements as of 31 December 2022. In addition, the results for the three-month period ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

(2-2) CHANGES IN ACCOUNTING POLICIES

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

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

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

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 Company.

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 Company.

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 amendments are not expected to have a material impact on the Company.

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 1 January 2023. Early adoption is permitted.

The amendments are not expected to have a material impact on the Company.

3. PROPERTY AND EQUIPMENT

During the three-month period ended 31 March 2023, the Company purchased property and equipment in the amount of JD 14,056 (31 March 2022: JD 23,674).

4. PROJECTS IN PROGRESS

Additions to projects in progress amounted to JD 20,865 during the three-month period ended 31 March 2023 (31 March 2022: JD 88,754).

No projects were completed and transferred to property and equipment for the three months ended 31 March 2023 and 31 March 2022

The estimated cost to complete the projects in progress is approximately JD 2,500,000 as at 31 March 2023. Management expects to complete these projects during the first quarter of the year 2024.

5. INCOME TAX

No income tax was calculated for the Company for the period ended 31 March 2023 and 2022 due to accumulated losses from prior years in accordance with Income Tax Law No. (34) of 2014 and its amendments.

Income tax –

The income tax benefit appearing in the interim condensed statement of comprehensive income represents the following:

	For the three-month period ended 31 March	
	2023	2022
	JD	JD
Deferred tax asset	(31,731)	(139,483)
Deferred tax liabilities	2,558	(1,316)
	<u>(29,173)</u>	<u>(140,799)</u>

The Company has submitted its tax returns to the Income Tax Department up to the year 2022. The Income Tax Department has not reviewed the Company's records for the years 2019, 2020, 2021, and 2022 up until the date of these interim condensed financial statements.

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The Company obtained final clearance from the Income and Sales Tax Department up to the year 2017. The Company's tax return for the year 2018 was accepted through the sampling system.

Deferred tax assets –

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

Movement on deferred tax assets during the year is as follows:

	31 March 2023	31 December 2022
	JD	JD
	(Unaudited)	(Audited)
Beginning balance	1,104,183	1,142,826
Tax effect of accumulated tax losses carried forward	31,731	(38,643)
Ending balance	<u>1,135,914</u>	<u>1,104,183</u>

Deferred tax liabilities –

This item represents deferred tax liabilities resulting from differences in depreciation rates 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 income tax.

Movement on deferred tax liability for the year is as follows:

	31 March 2023	31 December 2022
	JD	JD
	(Unaudited)	(Audited)
Beginning balance	31,529	83,580
Depreciation differences, net	2,558	(52,051)
Ending balance	<u>34,087</u>	<u>31,529</u>

JORDAN HOTELS AND TOURISM PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
31 MARCH 2023 (UNAUDITED)

6. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS

The table below shows the book value of the Company's right of use assets and lease obligations and their movements during the two periods ended 31 March 2023 and 31 December 2022:

	Right -of- use assets			Lease obligations*
	Land	Photovoltaic system	Total	
	JD	JD	JD	JD
For the period ended 31 March 2023				
(Unaudited)-				
At 1 January	554,803	1,359,799	1,914,602	1,920,009
Depreciation	(24,298)	(18,543)	(42,841)	-
Finance costs	-	-	-	42,693
Payments	-	-	-	(17,743)
Transferred to accounts payable	-	-	-	(35,486)
At 31 March	530,505	1,341,256	1,871,761	1,909,473
For the year ended 31 December 2022				
(Audited) -				
At 1 January	651,994	1,433,971	2,085,965	2,087,188
Depreciation	(97,191)	(74,172)	(171,363)	-
Finance costs	-	-	-	180,737
Payments	-	-	-	(294,687)
Transferred to accounts payable	-	-	-	(53,229)
At 31 December	554,803	1,359,799	1,914,602	1,920,009

* Lease obligation details are as follows:

31 March 2023 (Unaudited)			31 December 2022 (Audited)		
Short-term	Long- term	Total	Short-term	Long- term	Total
JD	JD	JD	JD	JD	JD
375,410	1,534,063	1,909,473	362,720	1,557,289	1,920,009

JORDAN HOTELS AND TOURISM PUBLIC SHAREHOLDING COMPANY
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7. CASH ON HAND AND AT BANKS

	31 March 2023	31 December 2022
	JD (Unaudited)	JD (Audited)
Cash on hand	9,310	9,413
Cash at banks	1,460,627	2,108,707
Term deposit maturing within 3 months*	4,503,368	1,757,867
Term deposit maturing within 3 months to 6 months	-	2,000,000
	<u>5,973,305</u>	<u>5,875,987</u>

* Term deposit is made for varying periods between one day and 3 months and bears average annual interest rates ranging from 1% to 5% (2022: from 1% to 5%).

8. LEGAL RESERVES

The Company has made no transfers to statutory and voluntary reserves as per the Companies Law, as these financial statements represent interim financial statements.

9. LOANS

This item consists of loans granted from the following parties:

Currency	31 March 2023 (Unaudited)			31 December 2022 (Audited)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	JD	JD	JD	JD	JD	JD
Al Etihad Bank	266,666	763,041	1,029,707	266,666	522,194	788,860
Cairo Amman Bank	-	2,000,000	2,000,000	-	2,000,000	2,000,000
	<u>266,666</u>	<u>2,763,041</u>	<u>3,029,707</u>	<u>266,666</u>	<u>2,522,194</u>	<u>2,788,860</u>
Less: unearned governmental grants	(12,349)	(415,712)	(428,061)	(12,349)	(385,275)	(397,624)
	<u>254,317</u>	<u>2,347,329</u>	<u>2,601,646</u>	<u>254,317</u>	<u>2,136,919</u>	<u>2,391,236</u>

Bank al Etihad

On 2 March 2021, the 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 of the Hotel facilities. The loan term is 9 years including a 24-month grace period and principal is paid in 15 semi-annual instalments (excluding interest) of JD 133,333, 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 from the loan are made in the form of payments upon submission of the borrower's invoices and claims that are certified by the consulting engineer that reflect the progress in the project.

Cairo Amman Bank

On 8 June 2020, the Company signed a loan agreement in the amount of JD 1,000,000 backed by the Central Bank of Jordan to reinforce the tourism sector. 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 the finance the operating expenses of the Hotel. The loan term is 10 years including a 24-month grace period and principal is paid in 96 monthly instalments (excluding interest) of JD 20,833 commencing on 30 May 2022 and ending on 30 April 2030 at an annual interest rate of 3%.

On 18 April 2022, the grace period changed from 24 months to 48-months and principal is paid in 72 equal monthly instalments (excluding interest) of JD 27,777 each, commencing on 30 April 2024 and ending on 30 April 2030 the same interest rate.

Withdrawals are against the borrower presenting invoices representing the operating expenses of the Hotel. The Company has utilized the total value of the loan during 2022.

The unutilized portion of the loans amounted to JD 970,293 as of 31 March 2023 (2022: JD 1,211,140).

The amounts of annual payments of the loan and their maturities are as follows:

Year	JD
1 April 2023 – 31 March 2024	266,666
1 April 2024 – 31 March 2025	572,213
1 April 2025 – 31 March 2026	599,990
1 April 2026 – 31 March 2027	563,033
1 April 2027 – 31 March 2028	333,324
2028 and thereafter	694,481
	<u>3,029,707</u>

10. RELATED PARTIES

Related parties represent major shareholders, Board of Directors, key management personnel of the Company and other related parties. The Company's management sets the pricing policies and the terms of the transaction with related parties.

Balances with related parties included in the interim condensed statement of financial position are as follows:

	31 March 2023	31 December 2022
	JD (Unaudited)	JD (Audited)
Assets -		
Financial assets at fair value through other comprehensive income -		
Himmeh Solar Power (sister company)	2,400	2,400
Other current assets – advance payments to suppliers		
Jordan Hotels Supplies (sister company)	148,287	70,827
Cash on hand and at banks -		
Al Etihad Bank, Arab Bank and Cairo Amman Bank (shareholders)	5,963,995	5,866,574
Liabilities -		
Loans -		
Al Etihad Bank, Cairo Amman Bank (shareholders)	2,601,646	2,391,236
Accounts payable -		
Jordan Hotels Supplies (sister company)	71,591	28,933
Due to related party -		
Zara Investment Holding Company (main shareholder)	110,721	82,025
Himmeh Solar Power (sister company)	33,736	28,703
	<u>144,457</u>	<u>110,728</u>

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Transactions with related parties included in the interim condensed statement of comprehensive income are as follows:

	For the three-month period ended 31 March	
	2023	2022
	JD	JD
Administrative expenses - Zara Investment (Holding) Company (Main shareholder)	25,000	25,000
Rent expenses - Zara Investment (Holding) Company (Main shareholder)	6,698	6,698
Finance cost - Arab Bank and Cairo Amman Bank (Shareholders)	21,903	7,500
Rent income - Arab Bank (Shareholders)	1,375	1,375
Interest income – Al Etihad Bank, Arab Bank and Cairo Amman Bank (Shareholders)	45,429	5,102

The following is a summary of the benefits (salaries, bonuses and other benefits) of the Company's executive management:

	For the three-month period ended 31 March	
	2023	2022
	JD	JD
Key management salaries and remunerations	3,383	15,424
Board of Directors' transportations and remunerations	26,000	14,850

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31 MARCH 2023 (UNAUDITED)

11. SEGMENT INFORMATION

	Intercontinental Hotel Jordan*	Dar Stores (Retail)	Total
	JD	JD	JD
31 March 2023 -			
Operating revenue	3,327,172	44,997	3,372,169
Operating expenses	(2,852,518)	(34,385)	(2,886,903)
Net operating revenues	474,654	10,612	485,266
Other Information -			
Depreciation of property and equipment	436,427	8,759	445,186
Administrative expenses	102,227	13,832	116,059
31 March 2022 -			
Operating revenue	2,264,946	59,246	2,324,192
Operating expenses	(2,298,770)	(45,819)	(2,344,589)
Net operating revenues	(33,824)	13,427	(20,397)
Other Information -			
Depreciation of property and equipment	431,415	8,748	440,163
Administrative expenses	117,060	11,821	128,881

* The Hotel's net operating revenue are as per the following:

	For the three-month period ended 31 March	
	2023	2022
	JD	JD
Operating Revenue -		
Rooms revenue	1,748,035	1,141,585
Food and beverage revenue	1,389,934	999,897
Other departments revenue	189,203	123,464
	3,327,172	2,264,946
Operating Expenses -		
Rooms expenses	348,461	262,739
Food and beverage expenses	1,054,422	792,160
Other departments expenses	125,283	120,096
Administration and marketing expenses	1,324,352	1,123,775
	2,852,518	2,298,770
Net operating revenues	474,654	(33,824)

12. CONTINGENT LIABILITIES

The Company is a defendant in a number of lawsuits in the amount of JD 52,199 as at 31 March 2023 (2022: JD 52,199). Management and its legal advisor believe that the Company's position is strong against these lawsuits and there is no need for any provision against these cases. The Company is plaintiff in lawsuits against others in the amount of JD 159,736 as at 31 March 2023 (31 December 2022: JD 159,736).