

**AL DAWLIYAH FOR HOTELS AND MALLS COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2024**

## **INDEPENDENT AUDITOR'S REPORT**

**To the Shareholders of Al Dawliyah for Hotels and Malls Public Shareholding Company  
Amman – Jordan**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Al-Dawliyah for Hotels and Malls Public Shareholding Company (the Company), which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics 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 financial statements for the year ended 31 December 2024. These matters were addressed in the context of our audit of the 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 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 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 financial statements.

Revenues Recognition	How the key audit matter was addressed
<p>We have considered revenues recognition as one of the key audit matters as there are risks of misstatements when recording and recognizing revenue due to high volume of revenues with low value transactions. In addition, there is a risk that billing to guests and customers may be done for services that are not rendered or services rendered but not billed or recorded and hence may result in an overstatement or understatement of revenues. The Company focuses on revenues as a key performance measure, which may create an incentive for revenues to be recognized before rendering the service.</p>	<p>We considered the appropriateness of the Company's revenues recognition accounting policies in accordance with International Financial Reporting Standards. We tested the Company's controls around revenues recognition and key controls in the revenues recognition cycle. We performed analytical procedures on the gross margin for rooms, food, beverage, and other departments.</p> <p>Having built expectations about revenues figures for the year we performed substantive analytical procedures using financial and non-financial information. We also selected and tested a sample of the daily journal entries on revenue accounts.</p> <p>Disclosures related to revenues are disclosed in note (26) to the financial statements and disclosure of accounting policies around revenues recognition are disclosed in note (5) to the financial statement.</p>

### **Other information included in the Company's 2024 annual report.**

Other information consists of the information included in the Company's annual report for the year 2023, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2023 Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exist. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 financial statements.

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

Amman – Jordan  
11 February 2025

**AL DAWLIYAH FOR HOTELS AND MALLS PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2024**

	Notes	2024 JD	2023 JD
<b><u>ASSETS</u></b>			
<b>Non-current assets -</b>			
Property and equipment	6	50,724,529	51,739,088
Investment properties	7	3,209,084	1,523,038
Financial assets at fair value through other comprehensive income	9	3,216,633	3,490,784
Investment in associate companies	8	114,945	121,755
Deferred tax assets	20	362,500	467,233
		<u>57,627,691</u>	<u>57,341,898</u>
<b>Current assets -</b>			
Inventories		143,130	112,270
Accounts receivable and checks under collection	10	376,491	253,081
Other debit balances	11	258,162	284,829
Cash and short-term deposits	19	<u>1,402,715</u>	<u>1,156,905</u>
		<u>2,180,498</u>	<u>1,807,085</u>
<b>Total assets</b>		<u>59,808,189</u>	<u>59,148,983</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity -</b>			
Paid-in capital	1,12	43,200,000	43,200,000
Statutory reserve	13	10,800,000	10,800,000
Fair value reserve	9	(1,680,667)	(1,406,516)
Accumulated losses		<u>(1,813,909)</u>	<u>(2,185,639)</u>
<b>Total equity</b>		<u>50,505,424</u>	<u>50,407,845</u>
<b>Non-current liability -</b>			
Long-term loans	14	<u>1,783,276</u>	<u>2,129,223</u>
<b>Current liabilities -</b>			
Due to banks	15, 21	834,801	292,891
Current portion of long-term loans	14	4,847,379	4,612,594
Accounts payable		929,434	817,207
Other credit balances	16	<u>907,875</u>	<u>889,223</u>
		<u>7,519,489</u>	<u>6,611,915</u>
<b>Total liabilities</b>		<u>9,302,765</u>	<u>8,741,138</u>
<b>Total equity and liabilities</b>		<u>59,808,189</u>	<u>59,148,983</u>

The accompanying notes from 1 to 26 form part of these financial statements

**AL DAWLIYAH FOR HOTELS AND MALLS PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 JD	2023 JD
Operating revenues of Amman Sheraton Hotel	25	10,438,290	10,522,791
Operating expenses of Amman Sheraton Hotel		(7,522,299)	(7,597,801)
Depreciation of property and equipment	6	(1,235,413)	(1,246,001)
<b>Gross operational profit from the hotel</b>		<b>1,680,578</b>	<b>1,678,989</b>
Depreciation	6	(11,297)	(10,341)
Finance costs		(340,817)	(283,389)
Administrative expenses	17	(775,573)	(728,743)
Solar project operating expenses		(156,834)	(154,550)
Company's Share of associate companies' gains (losses) - Net	8	7,328	(27,991)
Impairment loss on investment	8	(14,138)	(16,838)
Dividends income		87,216	74,951
<b>Profit for the year before income tax</b>		<b>476,463</b>	<b>532,088</b>
Income tax expense for the year	20	(104,733)	(132,805)
<b>Profit for the year</b>		<b>371,730</b>	<b>399,283</b>
		<u>JD/Fils</u>	<u>JD/Fils</u>
<b>Basic and diluted earnings per share from Company's profit for the year</b>	18	<u>0/009</u>	<u>0/009</u>

The accompanying notes from 1 to 26 form part of these financial statements



**AL DAWLIYAH FOR HOTELS AND MALLS PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

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	Notes	2024 JD	2023 JD
Profit for the year		371,730	399,283
<b>Add: Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods</b>			
Net change in fair value reserve	9	(274,151)	192,350
<b>Total comprehensive income for the year</b>		<u>97,579</u>	<u>591,633</u>

The accompanying notes from 1 to 26 form part of these financial statements

**AL DAWLIYAH FOR HOTELS AND MALLS PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	Paid-in capital	Statutory reserve	Fair value reserve	Accumulated losses*	Total
	JD	JD	JD	JD	JD
<b>2024 –</b>					
<b>Balance as at 1 January 2024</b>	43,200,000	10,800,000	(1,406,516)	(2,185,639)	50,407,845
Profit for the year	-	-	-	371,730	371,730
Other comprehensive income items	-	-	(274,151)	-	(274,151)
Total comprehensive income for the year	-	-	(274,151)	371,730	97,579
<b>Balance as at 31 December 2024</b>	<u>43,200,000</u>	<u>10,800,000</u>	<u>(1,680,667)</u>	<u>(1,813,909)</u>	<u>50,505,424</u>
<b>2023 –</b>					
<b>Balance as at 1 January 2023</b>	43,200,000	10,800,000	(1,598,866)	(2,584,922)	49,816,212
Profit for the year	-	-	-	399,283	399,283
Other comprehensive income items	-	-	192,350	-	192,350
Total comprehensive income for the year	-	-	192,350	399,283	591,633
<b>Balance as at 31 December 2023</b>	<u>43,200,000</u>	<u>10,800,000</u>	<u>(1,406,516)</u>	<u>(2,185,639)</u>	<u>50,407,845</u>

\* An amount of JD 1,680,667 (JD 1,406,516 as at 31 December 2023) of the accumulated losses is restricted which represents the net negative balance of the fair value reserve as at 31 December 2024.

The accompanying notes from 1 to 26 form part of these financial statements

**AL DAWLIYAH FOR HOTELS AND MALLS PUBLIC SHAREHOLDING COMPANY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 JD	2023 JD
<b><u>OPERATING ACTIVITIES</u></b>			
Profit for the year before income tax		476,463	532,088
<b>Adjustments -</b>			
Depreciation	6	1,246,710	1,256,342
Finance costs		340,817	283,389
(Reversal from) expected credit losses provision	10	(2,139)	3,987
Dividends income		(87,216)	(74,951)
Company's Share of associate companies' (gains) losses	8	(7,328)	27,991
Impairment loss on investment	8	14,138	16,838
<b>Changes in working capital -</b>			
Inventories		(30,860)	57,033
Accounts receivable and checks under collection		(121,271)	128,909
Other debit balances		26,667	(3,759)
Accounts payable		112,227	(79,318)
Other credit balances		18,652	(50,699)
<b>Net cash flows from operating activities</b>		<b>1,986,860</b>	<b>2,097,850</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Purchase of property and equipment	6	(232,151)	(368,669)
Purchase of financial assets at fair value through other comprehensive income	9	-	(312,588)
Purchase of investment properties	7	(1,686,046)	-
Investing in associate companies	8	-	(166,584)
Dividends income received		87,216	74,951
<b>Net cash flows used in investing activities</b>		<b>(1,830,981)</b>	<b>(772,890)</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Repayments of loans	14	(6,983,962)	(6,636,296)
Proceeds from loans	14	6,872,800	5,706,467
Finance costs paid		(340,817)	(283,389)
<b>Net cash flows used in financing activities</b>		<b>(451,979)</b>	<b>(1,213,218)</b>
<b>Net (decrease) Increase in cash and cash equivalents</b>		<b>(296,100)</b>	<b>111,742</b>
Cash and cash equivalents at the beginning of the year		864,014	752,272
<b>Cash and cash equivalents at the end of the year</b>	19	<b>567,914</b>	<b>864,014</b>

The accompanying notes from 1 to 26 form part of these financial statements

**(1) GENERAL**

Al Dawliyah for Hotels and Malls Public Shareholding Company was established as a result of the merger of the International Group of Hotels Association Public Shareholding Company and Development Company for Tourism and Trade Limited Liability Company on 1 August 1998 and then it was merged with Al Saad Company for Tourism and Trade Projects (limited liability company). The Company's authorized and paid-in capital amounted to JD 43,200,000 divided into 43,200,000 shares with a par value of JD 1 per share as at 31 December 2024 and 2023.

The Company's main activities are to develop, construct, sell, purchase, rent, and lease hotels, restaurants, theatres, swimming pools, and malls for its own accounts or for others.

The Company and Sheraton Overseas Management Corporation have signed Amman Sheraton Hotel's management agreement on 4 April 1995. The agreement is valid for 20 years commencing from the day of the official opening of the Hotel, that was at the end of 2001. During 2023, the agreement was renewed until the year 2041.

The Company owns Amman Sheraton Hotel that has 267 rooms and suites which started operations on 1 July 2001.

The financial statements were approved by the Company's Board of Directors on 10 February 2025, these financial statements require the approval of the general assembly of the company's shareholders.

**(2) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

**(2-1) BASIS OF PREPARATION**

The financial statements have been prepared the historical cost basis except for the financial assets at fair value through other comprehensive income which are presented at fair value as of the date of the financial statements.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements are presented in Jordanian Dinar, which is the functional currency of the Company.

### **(3) CHANGES IN ACCOUNTING POLICIES**

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023 except for the adoption of new amendments on the standards effective as of 1 January 2024 shown below:

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

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

The amendments had no impact on the Company's financial statements

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

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

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

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Company's financial statements.

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

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

The amendments had no impact on the Company's financial statements.

### **(4) USE OF ESTIMATES**

The preparation of the 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 and expenses and the resultant 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.

In the opinion of the Company's management, it estimates included in the financial statement are reasonable and are disaggregated as follows:

**Expected credit losses provision of accounts receivable:** Expected credit losses provision on receivables is reviewed using the principles and assumptions approved by the Company's management to estimate the provision amount in accordance with IFRS requirements.

**Income tax provision:** The income tax expense is charged to the fiscal year in accordance with the regulations, laws and accounting standards and the required tax provision shall be calculated. The amount of income tax provision depends on various factors such as, the Company's experience from auditing prior periods tax. In addition to that, the Company appoints an independent tax advisor to review the calculation of the income tax provision.

**Deferred Tax Assets:** Deferred tax assets are recognised for all temporary timing differences relating to non-deductible expenses and losses that are likely to be included as part of taxable income. The determination of the value of deferred tax assets that can be recognised based on the expected timing and the level of future taxable profits, require the opinion and judgement of the management of the Company. Details of the income tax provision are disclosed in note (20).

**Useful life of properties and equipment:** The Company's management reassess the useful life for tangible assets periodically for the purpose of calculating depreciation depending on the expected useful life of these assets. Impairment is recorded in the statement of profit and loss (if any).

**Legal provision:** To meet any legal obligations, provisions are made for these obligations based on the opinion of the Company's legal advisor.

## **(5) MATERIAL ACCOUNTING POLICY INFORMATION**

### **Property and equipment**

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses if any (except for land).

Property and equipment are depreciated using the straight-line method over their estimated useful lives using the following annual depreciation rates:

	<u>%</u>
Hotel building	1.5
Machinery, equipment and tools	6-20
Furniture and fixture	8
Vehicles	15
Solar project	5

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. When the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amounts and the loss is recorded in the statement of comprehensive income.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefit from items of property and equipment.

### **Investment properties**

Investment properties represents investments in lands and buildings that the Company is keeping either to lease or until its value increases, excluding lands and buildings used in the operating activities, the Company's usual activities or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and/or accumulated impairment losses. Investment properties (except for land) are depreciated when it is ready to be used on a straight-line basis over their estimated useful lives.

### **Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand and balances at bank and short-term deposits with maturities of three months or less, net of outstanding bank overdrafts.

### **Accounts receivable**

Accounts receivable are stated at original invoice amount less any provision of expected credit losses. The Company applies the simplified approach in calculating the expected credit losses in accordance with the International Financial Reporting Standards (IFRS 9).

### **Inventories**

Inventories are valued at cost using the (weighted average costing) or net realizable value whichever is lower.

### **Investments in associate companies**

An associate is an entity in which the Company has significant influence on the financial and operating decision making (the Company does not control) which the company owns 20% to 50% from the voting rights. The Company's investments in its associates are accounted for using the equity method.

Income and expenses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

Based on the equity method, investments in associates are shown at cost. The book value of the investment is later adjusted to reflect the Company's share of the changes in net assets since the ownership date. Goodwill resulting from the associate is recorded as part of the investment account and is not subject to amortization nor impairment on an individual basis.

The statement of profit or loss reflects the Company's share of the associates results. Any changes in other comprehensive income for this investment is reflected in the statement of comprehensive income. In the case where there are changes in the equity of the associate, these changes are reflected in the statement of changes in equity. Profits and losses resulting from intercompany transactions between the Company and the associate are eliminated based Company's share in the associate.

The Company's share in the profit or loss of the associate Company is shown in the statement of profit or loss outside of operating profits. It represents the after tax profits or losses and non-controlling interests in the associate company.

The financial statements of the associate company are prepared at the same period of those for the Company, using the same accounting policies.

After applying the equity method, the Company determines If there is a necessity to calculate an impairment loss on the investment of the associate company. At the end of each financial year, the Company determines whether there are any objective evidence indicating impairment in the investment of the associate company. In case there are indicators of impairment, the Company calculates the impairment loss as difference between the net realizable value of the associate investment and its book value. The loss is recognized in the statement of profit or loss.

When the significant influence on the associate is lost, the Company calculates and recognizes the return on investment at fair value. And recognize any differences between the book value and the fair of the investment in the statement of profit or loss.

#### **Financial assets at amortized cost**

Financial assets at amortized cost are the financial assets that the Company's management, in accordance with its business model, intends to maintain in order to collect contractual cash flows which consist of payments of principal and interest on the outstanding debt balance.

These assets are recognized at cost, plus acquisition costs, and the provision / discount is amortized using the effective interest method, debited or credited to the interest, and any impairment charge is removed and the original or part of the asset cannot be recovered. Their values are recognized in the statement of income.

The amount of impairment in value of these assets represents the difference between the carrying value and the present value of the expected cash flows discounted using the original effective interest rate.

#### **Financial assets at fair value through other comprehensive income**

These assets represent investment in equity instruments with the purpose of retaining it for a long-term.

These financial assets 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 statement of comprehensive income and in the statement of equity including the change in fair value resulting from conversion differences of non-cash items of assets at foreign currencies. In case of sale of such assets or part of it, the gain or loss is recorded at the statement of comprehensive income and in the statement of equity and the valuation reserve balance for sold assets will be transferred directly to retained earnings and not through income statement.

#### **Fair value**

The Company measures financial instruments such as financial assets at fair value through other comprehensive income at fair value on the date of the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.



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 Company 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 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 financial statements on a recurring basis, the Company 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.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **Accounts payable and accruals**

Liabilities are recognized for amounts to be paid in the future for services or goods received, whether billed by the supplier or not.

Provisions are recognized when the Company has a present obligation (legal or constructive) arising from a past event and the cost to settle the obligation is both probable and able to be reliably measured.

#### **Loans and due to banks**

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 comprehensive income.

### **Segment reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

The Company's three reporting segments consists of the revenues and expenditures of Sheraton Amman Hotel, investments in financial assets and investment properties.

### **Revenue and expenses recognition**

Revenue is recognized based on the five-step model framework derived from the International Financial Reporting Standards (IFRS 15) which includes the identification of the contract, price, allocating the contract price to the performance obligation in the contract and recognizing revenue when the company satisfies the performance obligation. Whereby revenue is recognized when selling goods to the customers and issuing the invoice to the customer at a point in time.

Hotel operating revenue is recognized when rendering services or selling food and beverage to customers.

Other income is recognised on accrual basis.

Dividends income are recognized when approved by the general assemblies of the investee companies.

Expenses are recognised on accrual basis.

### **Foreign currencies**

Foreign currency transactions during the year are recorded using exchange rates that are in effect at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinars using the prevailing exchange rates at year end. Foreign exchange gains or losses are reflected in the statement of profit or loss.

### **Income Tax**

The income tax expense represents the accrued tax expenses and the deferred income tax.

Accrued tax expenses are calculated based on taxable income, which may be different from accounting income as it may include non-taxable income, non-deductible expenses in the current year that are taxable/deductible in subsequent years, tax-accepted accumulated losses or non-taxable or deductible items.

Income tax for the years is accounted for in accordance with the income tax rates of the Hashemite Kingdom of Jordan.

Deferred tax assets are recognized for all deductible temporary differences such as unused tax expenses and losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized.

Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits.

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**(6) PROPERTY AND EQUIPMENT**

	2024							
	Land and projects under construction **	Amman Sheraton Hotel land*	Amman Sheraton Hotel building	Machinery, equipment and tools	Furniture and fixtures	Vehicles	Solar project	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>Cost -</b>								
<b>At 1 January 2024</b>	3,809,058	6,531,407	52,896,941	6,761,704	7,135,986	104,393	3,959,948	81,199,437
Additions	-	-	193,491	19,507	10,756	-	8,397	232,151
<b>At 31 December 2024</b>	<u>3,809,058</u>	<u>6,531,407</u>	<u>53,090,432</u>	<u>6,781,211</u>	<u>7,146,742</u>	<u>104,393</u>	<u>3,968,345</u>	<u>81,431,588</u>
<b>Accumulated depreciation -</b>								
<b>At 1 January 2024</b>	-	-	15,878,664	5,916,925	6,483,675	54,894	1,126,191	29,460,349
Depreciation for the year ***	-	-	793,454	114,750	130,928	9,581	197,997	1,246,710
<b>At 31 December 2024</b>	<u>-</u>	<u>-</u>	<u>16,672,118</u>	<u>6,031,675</u>	<u>6,614,603</u>	<u>64,475</u>	<u>1,324,188</u>	<u>30,707,059</u>
<b>Net book value</b>								
<b>At 31 December 2024</b>	<u>3,809,058</u>	<u>6,531,407</u>	<u>36,418,314</u>	<u>749,536</u>	<u>532,139</u>	<u>39,918</u>	<u>2,644,157</u>	<u>50,724,529</u>

\* The Sheraton Amman Hotel land is mortgaged as a first-degree collateral for the Jordan Ahli Bank (note 14).

\*\* Projects under construction represent the commercial centre project of the Sheraton Amman Hotel, with an estimated cost of three million Jordanian Dinars, and it is expected to be completed during 2028.

\*\*\* The depreciation expense for the year ended 31 December 2024 is divided between depreciation of operating property and equipment amounted to JD 1,235,413 and depreciation of administrative property and equipment amounted to JD 11,297 (2023: JD 1,246,001 and JD 10,341).

\*\*\*\* Fully depreciated property and equipment used in the Company's operations amounted to JD 10,893,973 as at 31 December 2024 (2023: JD 10,585,132).

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2023

	Land and projects under construction **	Amman Sheraton Hotel land*	Amman Sheraton Hotel building	Machinery, equipment and tools	Furniture and fixtures	Vehicles	Solar project	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>Cost -</b>								
<b>At 1 January 2023</b>	3,809,058	6,531,407	52,605,992	6,742,089	7,097,756	98,018	3,946,448	80,830,768
Additions	-	-	290,949	19,615	38,230	6,375	13,500	368,669
<b>At 31 December 2023</b>	<u>3,809,058</u>	<u>6,531,407</u>	<u>52,896,941</u>	<u>6,761,704</u>	<u>7,135,986</u>	<u>104,393</u>	<u>3,959,948</u>	<u>81,199,437</u>
<b>Accumulated depreciation -</b>								
<b>At 1 January 2023</b>	-	-	15,089,574	5,794,840	6,344,455	46,269	928,869	28,204,007
Depreciation for the year ***	-	-	789,090	122,085	139,220	8,625	197,322	1,256,342
<b>At 31 December 2023</b>	<u>-</u>	<u>-</u>	<u>15,878,664</u>	<u>5,916,925</u>	<u>6,483,675</u>	<u>54,894</u>	<u>1,126,191</u>	<u>29,460,349</u>
<b>Net book value</b>								
<b>At 31 December 2023</b>	<u>3,809,058</u>	<u>6,531,407</u>	<u>37,018,277</u>	<u>844,779</u>	<u>652,311</u>	<u>49,499</u>	<u>2,833,757</u>	<u>51,739,088</u>

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**(7) INVESTMENTS PROPERTIES**

Investment properties represent land presented at cost.

Fair value of investment properties amounted to JD 4,624,876 as at 31 December 2024 (JD 2,938,830 as at 31 December 2023).

	31 December 2024 JD	31 December 2023 JD
Balance at 1 January	1,523,038	1,523,038
Additions*	1,686,046	-
<b>Balance at 31 December</b>	<b>3,209,084</b>	<b>1,523,038</b>

- \* The Company purchased investment properties amounted to JD 1,686,046 during the year ended December 31, 2024 (December 31, 2023: none). These investments represent a piece of land in the Um Uthaina area.

**(8) INVESTMENT IN ASSOCIATE COMPANIES**

	Ownership percentage		Amount	
	2024 %	2023 %	2024 JD	2023 JD
Interior Design Studio Company	22	22	29,340	-
Al-Marasi for Development and Management Company	21.43	21.43	85,605	121,755
			<b>114,945</b>	<b>121,755</b>

Following is a summary for the activity in associate companies:

Company	Company activity
Interior Design Studio Company	Decoration and designs for hotels
Al-Marasi for Development and Management Company	Maintenance and cleaning of beaches and ports

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Movement on investment in associate companies was as follows:

	2024	2023
	JD	JD
Balance at 1 January	121,755	-
Stocks purchase in associate companies	-	166,584
Company's Share of associate companies' gains (losses)	7,328	(27,991)
Impairment loss on investment	(14,138)	(16,838)
<b>Balance at 31 December</b>	<b>114,945</b>	<b>121,755</b>

The following table summarize of the financial information for Company's investment in associates:

	Al-Marasi for Development and Danagement Company	Interior Design Studio Company	Total
	JD	JD	JD
<b>2024 -</b>			
<b>Investment in associate companies</b>			
Current assets	381,215	497,645	878,860
Non-current assets	936,691	9,055	945,746
Current liabilities	(768,741)	(373,212)	(1,141,953)
Non-current liabilities	(149,700)	(124)	(149,824)
Equity	399,465	133,364	532,829
Ownership %	21.43	22	
Investment value	85,605	-	85,605
Investment impairment loss	-	29,340	29,340
Net investment value	85,605	29,340	114,945
<b>Revenues</b>			
Operating income	-	447,319	447,319
Operating expenses	-	(227,336)	(227,336)
Administrative expenses	(65,965)	(83,946)	(149,911)
Finance cost	(24,210)	(14,887)	(39,097)
Loss for the year	(90,175)	121,150	30,975
Company's share from (loss) profit for the year	(19,325)	26,653	7,328

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**2023 -**

**Investment in associate companies**

Current assets	486,150	381,482	867,632
Non-current assets	981,602	4,791	986,393
Current liabilities	(649,700)	(343,427)	(993,127)
Non-current liabilities	(249,900)	(26,153)	(276,053)
Equity	<u>568,152</u>	<u>16,693</u>	<u>584,845</u>
Ownership %	21.43	22	
Investment value	121,755	16,838	138,593
Investment impairment loss	-	(16,838)	(16,838)
Net investment value	<u>121,755</u>	<u>-</u>	<u>121,755</u>

**Revenues**

Operating income	-	292,046	292,046
Operating expenses	-	(193,138)	(193,138)
Administrative expenses	(102,035)	(79,022)	(181,057)
Finance cost	(29,767)	(18,732)	(48,499)
Loss for the year	<u>(131,802)</u>	<u>1,154</u>	<u>(130,648)</u>
Company's share from (loss) profit for the year	<u>(28,245)</u>	<u>254</u>	<u>(27,991)</u>

**(9) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	<u>2024</u> JD	<u>2023</u> JD
Investments in quoted shares	1,332,418	1,416,616
Investments in unquoted shares	1,884,215	2,074,168
	<u>3,216,633</u>	<u>3,490,784</u>

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

	<u>2024</u> JD	<u>2023</u> JD
Balance as at 1 January	3,490,784	2,985,846
Purchase of financial assets at fair value through other comprehensive income	-	312,588
Change in fair value of financial assets at fair value through other comprehensive income	<u>(274,151)</u>	<u>192,350</u>
Balance as at 31 December	<u>3,216,633</u>	<u>3,490,784</u>

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Movement on fair value reserve was as follows:

	<u>2024</u> JD	<u>2023</u> JD
Balance as at 1 January	(1,406,516)	(1,598,866)
Change in fair value	(274,151)	192,350
<b>Balance as at 31 December</b>	<u>(1,680,667)</u>	<u>(1,406,516)</u>

**(10) ACCOUNTS RECEIVABLE AND CHECKS UNDER COLLECTION**

	<u>2024</u> JD	<u>2023</u> JD
Accounts receivable	374,028	258,685
Checks under collection	10,178	4,250
Less: expected credit losses provision*	(7,715)	(9,854)
	<u>376,491</u>	<u>253,081</u>

\*Movement on expected credit losses provision was as follows:

	<u>2024</u> JD	<u>2023</u> JD
Balance as at 1 January	9,854	5,867
(Reversal from) provision for the year	(2,139)	3,987
<b>Balance as at 31 December</b>	<u>7,715</u>	<u>9,854</u>

As at 31 December, the aging of unimpaired receivables net of expected credit losses provision was as follows:

	<u>Due but not impaired receivables</u>						<u>Total</u> JD
	<u>Not past due nor impaired</u> JD	<u>1 – 30 days</u> JD	<u>31 – 60 days</u> JD	<u>61 – 90 days</u> JD	<u>91 – 120 days</u> JD	<u>More than 120 days</u> JD	
2024	113,001	195,349	62,968	5,173	-	-	376,491
2023	50,809	100,938	61,905	26,738	9,851	2,840	253,081

The management expects to collect all unimpaired receivables balances. It is not the practice of the Company to obtain collaterals against these receivables and accordingly they are unsecured.



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**(11) OTHER DEBIT BALANCES**

	2024	2023
	JD	JD
Prepaid expenses	106,177	123,308
Refundable deposits	145,066	142,906
Advance payments	814	12,537
Employees receivable	5,217	5,190
Prepaid income tax	888	888
	258,162	284,829

**(12) PAID IN CAPITAL**

The Company's authorized and paid-in capital amounted to JD 43,200,000 divided into 43,200,000 shares with par value of JD 1 per share.

**(13) STATUTORY RESERVE**

The accumulated amounts in this account represent cumulative appropriations of 10% of the net profit available for distribution before income tax. The Company is allowed to stop the yearly transfer when the statutory reserve amount reaches 25% of the share capital. Therefore, the Company did not transfer any additional amounts to statutory reserve.

**(14) LOANS**

Loans were classified according to their maturity date as follows:

	31 December 2024		31 December 2023	
	Long-term loan instalments due within a year	Long term loans	Long-term loan instalments due within a year	Long term loans
	JD	JD	JD	JD
Jordan Ahli Bank - JD (1)	344,082	-	690,000	344,082
Jordan Ahli Bank - USD (2)	1,340,474	495,085	760,126	173,950
Jordan Ahli Bank - USD (3)	2,839,823	-	2,839,468	-
Jordan Ahli Bank - JD (4)	323,000	1,288,191	323,000	1,611,191
	4,847,379	1,783,276	4,612,594	2,129,223

### **Loan (1)**

The Company signed a loan agreement with Jordan Ahli Bank on 5 November 2016 for an energy loan with a ceiling of JD 4,000,000 and bears an annual fixed interest rate of 3.5% on the utilized daily balance. The loan is repayable in 18 equal semi-annual instalments, the first instalment was due on 1 November 2016 and the last instalment is due on 1 May 2025. The utilized loan balance amounted to JD 344,082 as at 31 December 2024 (JD 1,034,082 as at 31 December 2023).

### **Loan (2)**

The Company signed a loan agreement with Jordan Ahli Bank on 19 September 2018 for a loan with a ceiling of USD 2,000,000. During 2019, the Company has increased the ceiling of the loan to become USD 3,000,000, based on the instructions of the Central Bank of Jordan the interest rate has decreased during the year 2024 to become 6.02% annually (2023: 6.83%). The loan is repayable in 24 equal monthly instalments, the first instalment was due on 18 December 2019 and the last instalment is due on 26 March 2026. During 2021, the Company rescheduled the loan by which the instalments due during the year 2021 were postponed to the years 2023 and 2024. The utilized loan balance amounted to JD 1,835,559 as at 31 December 2024 (JD 934,076 as at 31 December 2023).

### **Loan (3)**

The Company signed a loan agreement with Jordan Ahli Bank on 31 March 2012 for a revolving loan amounted to USD 4,000,000. The interest rate has decreased during the year 2024 to become 6.02% annually (2023: 6.83%). The loan is repayable in 5 instalments. During the year 2021, the Company rescheduled the loan by which the instalments due during the year 2021 were postponed to the years 2023 and 2024. The utilized loan balance amounted to JD 2,839,823 as at 31 December 2024 (JD 2,839,468 as at 31 December 2023).

### **Loan (4)**

The Company signed a loan agreement with Jordan Ahli Bank on 8 September 2020 with a ceiling of JD 2,585,000 and bears an annual interest rate of 3% on the utilized daily balance. This loan is subject to the Central Bank's special instructions relating to providing loans and advances in support of the economic sectors. The loan is repayable in 16 instalments, the first instalment was due on 30 September 2021 and the last instalment is due on 31 December 2029. The utilized loan balance amounted to JD 1,611,191 as at 31 December 2024 (JD 1,934,191 as at 31 December 2023).

- The maturities of the annual payments of long-term loans are as follows:

Year	JD
2026	818,085
2027	323,000
2028	323,000
2029	319,191
	<u>1,783,276</u>

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- The movement on loans was as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance at the beginning of the year	6,741,817	7,671,646
Proceeds from loans	6,872,800	5,706,467
Loans repayments	<u>(6,983,962)</u>	<u>(6,636,296)</u>
Balance at the end of the year	<u><u>6,630,655</u></u>	<u><u>6,741,817</u></u>

The above loans were granted against a first-degree collateral (Amman Sheraton Hotel land).

**(15) DUE TO BANKS**

This item represents the utilized amounts of the overdraft facilities granted from Jordan Ahli Bank with a ceiling of JD 1,500,000 bearing an annual interest rate of 9% as at 31 December 2024. These facilities were granted against a first-degree collateral on Amman Sheraton Hotel land.

**(16) OTHER CREDIT BALANCES**

	<u>2024</u>	<u>2023</u>
	JD	JD
Accrued expenses	355,247	411,120
Sales tax payable	43,433	29,679
Deferred revenues	164,240	159,710
Undistributed dividends	236,487	230,313
Others	<u>108,468</u>	<u>58,401</u>
	<u><u>907,875</u></u>	<u><u>889,223</u></u>

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**(17) ADMINISTRATIVE EXPENSES**

	<u>2024</u>	<u>2023</u>
	JD	JD
Salaries, wages and other benefits for employees	326,534	322,410
Board of Directors transportation and bonuses (note 21)	109,800	109,800
Governmental fees	95,489	96,380
Bonuses (note 21)	90,000	50,000
Insurance expenses	61,225	61,407
Professional and consulting fees	21,214	9,212
Rents (note 21)	19,350	19,350
Social security expenses	13,613	13,021
Electricity, Water and phones	7,137	5,437
Travel and transportation	7,127	12,555
Maintenance expenses	3,009	2,644
Donations	1,000	1,000
Others	20,075	25,527
	<u>775,573</u>	<u>728,743</u>

**(18) EARNINGS PER SHARE FROM COMPANY'S PROFIT FOR THE YEAR**

	<u>2024</u>	<u>2023</u>
Profit for the year attributed to the Company's shareholders (JD)	371,730	399,283
Weighted average number of shares (share)	<u>43,200,000</u>	<u>43,200,000</u>
<b>Basic earnings per share from the Company's profit for the year *</b>	<u>0/009</u>	<u>0/009</u>

\* The diluted earnings per share from the Company's profit for the year is equal to the basic earnings per share of profit for the year.

**(19) CASH AND CASH EQUIVALENTS**

The details of cash and bank deposits are as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Cash on hands and balances at banks	566,049	396,757
Short term deposits*	836,666	760,148
	<u>1,402,715</u>	<u>1,156,905</u>

\* Short-term deposits represent deposits at banks in Jordanian Dinar with a monthly maturity and bears an average interest rate of 3.75% as at 31 December 2024 (31 December 2023: 4.75%).

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For the preparation of cash flows statement purposes, cash and cash equivalents details are as follows:

	2024	2023
	JD	JD
Cash on hands and balances at banks	566,049	396,757
Short term deposits	836,666	760,148
Due to banks (note 15)	(834,801)	(292,891)
	567,914	864,014

**(20) INCOME TAX**

Income tax provision was calculated for the years 2024 and 2023 in accordance with income tax law no. (34) for the year 2014 and its amendments.

The Company obtained a final tax clearance from the income tax department up to the year 2021.

The Company submitted its annual income tax returns for the years for 2022 and 2023 and the Income and Sale Tax Department has not reviewed these tax returns up to the date of these financial statements.

The reconciliation between the accounting profit and taxable income is as follows:

	2024	2023
	JD	JD
<b>Accounting profit before income tax</b>	476,463	532,088
Less: non-taxable income	(213,679)	(140,377)
Add: non-deductible expenses	235,945	240,693
<b>Taxable profit</b>	498,729	632,404
Income tax for the year	104,733	132,805
 Statutory income tax rate	 20%	 20%
National contribution tax rate	1%	1%
Effective income tax rate	22.6%	25%

Income tax expense shown in the statement of profit or loss is as follows:

	2024	2023
	JD	JD
Income tax expense for the year	104,733	132,805

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The movement on deferred tax assets is as follows:

	2024 JD	2023 JD
Balance as at 1 January	467,233	600,038
Released from deferred tax assets	(104,733)	(132,805)
Balance as at 31 December	362,500	467,233

**(21) TRANSACTION WITH RELATED PARTIES**

Related parties represent Jordan Ahli Bank, major shareholders, directors and key management personnel of the Company. Pricing policies and terms of these transactions are approved by the Company's management.

Related parties' balances included in the statement of financial position are as follows:

	2024 JD	2023 JD
<b><u>Assets:</u></b>		
Deposits at Jordan Ahli Bank (shareholder) (note 19)	836,666	760,148
Current accounts at Jordan Ahli Bank (shareholder)	554,095	373,358
<b>Financial assets at fair value through other comprehensive income</b>		
EI – ZAY for Ready Wear Manufacturing Company	74,000	98,000
Jordan Worsted Mills Company (sister company)	682,465	729,765
Jordan Investor Center Company (sister company)	1,836,215	2,026,168
<b><u>Liabilities:</u></b>		
Loans and credit facilities granted from Jordan Ahli Bank (shareholder) (note14)	6,630,655	6,741,817
Due to bank - Jordan Ahli Bank (shareholder) (note15)	834,801	292,891

Transactions with related parties included in the statement of profit or loss are as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Salaries, Bonuses and other benefits-key management personnel	<u>231,074</u>	<u>231,060</u>
Transportation allowances and benefits for Board of Directors (note 17)	<u>109,800</u>	<u>109,800</u>
Chairman representation remuneration (note 17)	<u>90,000</u>	<u>50,000</u>
Finance costs – Jordan Ahli Bank (shareholder)	<u>340,817</u>	<u>283,389</u>
Dividends income (sister companies)	<u>54,500</u>	<u>47,300</u>
Rent Expense - Al-Izdihar Trading and Investment Company (note 17)	<u>19,350</u>	<u>19,350</u>

## **(22) RISK MANAGEMENT**

### **Interest rate risk**

The Company is exposed to interest rate risk on its interest-bearing assets and liabilities such as bank deposits, bank overdraft, and loans.

The following table demonstrates the sensitivity of the statement of profit and loss to reasonably possible changes in interest rates as at 31 December 2024 and 2023, with all other variables held constant.

The sensitivity of the statement of profit or loss is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2024 and 2023.

<b>2024-</b>	<u>Increase</u>	<u>Effect on</u>
Currency	in interest rate	profit for the year
	(Basis points)	JD
JD	25	(2,796)
USD	25	(11,688)
	<u>Decrease</u>	<u>Effect on</u>
	In interest rate	profit for the year
	(Basis points)	JD
Currency		
JD	(25)	2,796
USD	(25)	11,688

<b>2023-</b>	<u>Increase</u>	<u>Effect on Loss</u>
Currency	<u>in interest rate</u>	<u>for the year</u>
	(Basis points)	JD
JD	25	(9,321)
USD	25	(9,446)

	<u>Decrease</u>	<u>Effect on loss</u>
Currency	<u>in interest rate</u>	<u>for the year</u>
	(Basis points)	JD
JD	(25)	9,321
USD	(25)	9,446

### **Equity price risk**

The following table demonstrates the sensitivity of the effect in fair value to reasonably possible changes in share prices, with all other variables held constant:

<b>2024-</b>	<u>Change in Index</u>	<u>Effect on equity</u>
Index	(%)	JD
Amman Stock Exchange	5	66,621

<b>2023 -</b>	<u>Change in Index</u>	<u>Effect on equity</u>
Index	(%)	JD
Amman Stock Exchange	5	70,831

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

### **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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

The Company provides its services to a large number of customers. No customer represents 10% of the receivables as at 31 December 2024 and 2023.



## **Liquidity risk**

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

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December 2024, based on contractual payment dates and current market interest rates:

	Less than 3 months	3 to 12 months	1 to 3 Years	More than 3 Years	Total
	JD	JD	JD	JD	JD
<b>31 December 2024</b>					
Accounts payable	929,434	-	-	-	929,434
Loans	1,644,175	3,474,869	1,356,613	495,112	6,970,769
Other credit balances	907,875	-	-	-	907,875
Due to banks	872,655	-	-	-	872,655
<b>Total</b>	<b>4,354,139</b>	<b>3,474,869</b>	<b>1,356,613</b>	<b>495,112</b>	<b>9,680,733</b>
<b>31 December 2023</b>					
Accounts payable	817,207	-	-	-	817,207
Loans	1,526,822	3,329,506	1,203,935	994,147	7,054,410
Other credit balances	729,513	-	-	-	729,513
Due to banks	306,803	-	-	-	306,803
<b>Total</b>	<b>3,380,345</b>	<b>3,329,506</b>	<b>1,203,935</b>	<b>994,147</b>	<b>8,907,933</b>

## **Currency risk**

Most of the Company's transactions are in Jordanian Dinars and US Dollar. The Jordanian Dinar is fixed against US Dollar (1.41 USD / 1JD).

## **(23) FAIR VALUE FINANCIAL INSTRUMENTS**

Financial instruments comprise of financial assets and liabilities.

Financial assets consist of cash on hand and balances at banks, short-term deposits, account receivable, checks under collection and some other debit balances. Financial liabilities consist of accounts payable, due to banks, loans, and some other credit balances.

The fair value for financial instruments does not differ in a material amount from the book value for those instruments.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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The following table shows the disclosure for financial instruments at fair value, and with the application of the levels mentioned above:

	Level 1 JD	Level 2 JD	Level 3 JD	Total JD
<b>2024-</b>				
Financial assets at fair value through other comprehensive income	<u>1,332,418</u>	<u>-</u>	<u>1,884,215</u>	<u>3,216,633</u>
<b>2023-</b>				
Financial assets at fair value through other comprehensive income	<u>1,416,616</u>	<u>-</u>	<u>2,074,168</u>	<u>3,490,784</u>

**(24) CAPITAL MANAGEMENT**

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

The Company 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 for the current year and previous year.

Capital comprises of paid-in capital, statutory reserve, fair value reserve, and accumulated losses and is measured at JD 50,505,424 as at 31 December 2024 (as at 31 December 2023: JD 50,407,845). The Company's current liabilities exceeded its current assets by JD 5,338,991 (as at 31 December 2023: JD 4,804,830).

**(25) SEGMENT INFORMATION**

A business segment is the Company's assets and operations engaged in providing products together or are subject to risks and returns services differ from those of other business segments.

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.

The following table represents Sheraton Amman Hotel operating revenues:

	2024 JD	2023 JD
Rooms' revenues	5,769,389	5,538,396
Food and beverage revenues	3,530,025	3,649,130
Other revenues	<u>1,138,876</u>	<u>1,335,265</u>
	<u>10,438,290</u>	<u>10,522,791</u>

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The following table represents the business segment information:

	Hotels sector	Investment in financial assets	Total	
2024 -	JD	JD	JD	
Revenues, net	10,438,290	80,406	10,518,696	
Business results -				
Profit (loss) before income tax	1,680,578	(1,204,115)	476,463	
Income tax	(104,733)	-	(104,733)	
Profit (loss) for the year	1,575,845	(1,204,115)	371,730	
Other segment information				
Capital expenditures	232,151	-	232,151	
Depreciation	1,235,413	11,297	1,246,710	
2023 -				
Revenues, net	10,522,791	30,122	10,552,913	
Profit (loss) before income tax	1,678,989	(1,146,901)	532,088	
Income tax	-	(132,805)	(132,805)	
Profit (loss) for the year	1,678,989	(1,279,706)	399,283	
Other segment information				
Capital expenditures	368,669	-	368,669	
Depreciation	1,246,001	10,341	1,256,342	
	Hotels sector	Investment properties	Investment in financial assets	Total
	JD	JD	JD	JD
Assets and liabilities				
As at 31 December 2024 -				
Segment assets	53,267,527	3,209,084	3,331,578	59,808,189
Segment liabilities	9,302,765	-	-	9,302,765
As at 31 December 2023 -				
Segment assets	54,013,406	1,523,038	3,612,539	59,148,983
Segment liabilities	8,741,138	-	-	8,741,138

The Company's operations are in the Hashemite Kingdom of Jordan.

**(26) STANDARDS ISSUED BUT NOT YET EFFECTIVE**

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

**Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7**

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Company is currently not intending to early adopt the Amendments.

**Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7**

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to address the accounting and disclosure requirements for contracts referencing nature-dependent electricity, such as wind, solar, and hydro power. These amendments aim to provide clearer guidance on the classification, measurement, and recognition of these contracts, which are inherently variable due to their dependence on natural conditions. The changes seek to improve the consistency and comparability of financial statements by clarifying whether such contracts should be treated as financial instruments or executory contracts and how they should be measured. Additionally, the amendments enhance disclosure requirements to provide greater transparency about the risks and financial impacts associated with these contracts, thereby offering users more relevant and reliable information. This initiative supports the global transition to renewable energy by addressing the unique accounting challenges posed by nature-dependent electricity contracts.

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed.

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

**Lack of exchangeability – Amendments to IAS 21**

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

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

### **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

This standard will result in new presentation of the income statement with some new required totals, in addition to the disclosure of management-defined performance measures.

### **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

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