Amoun International for Investments
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Consolidated financial statements
and independent auditor's report
for the year ended December 31, 2023

Amoun International for Investments
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Index

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Independent Auditor's Report

To Messrs. Shareholders
Amoun International for Investments
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Amoun International for Investments (Public Shareholding Company)**, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the consolidated 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 (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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فاكس: ٦٠١ ٥١٠٠ ٦ ٩٦٢+
ص.ب: ٩٢١١٠٠ عمان ١١١٩٢، الأردن

Investment property	Scope of audit
According to the requirements of International Financial Reporting Standards, investment property is initially measured at cost including transaction costs, and a test for impairment is made for the investment property in the consolidated statement of financial position when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication of impairment exits, impairment loss is calculated according to the assets impairment policy.	Audit procedures that we have conducted among other matters included getting an appraisal from real estate experts in order to help us determine the market value of the investment property as at the date of consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the 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 consolidated financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group consolidated financial statement. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company has proper accounting records which are, in all material respects, consistent with the accompanying consolidated financial statements, accordingly, we recommend to approve these consolidated financial statements by the general assembly.

Talal Abu-Ghazaleh & Co. International

Mohammad Al-Azraq
(License # 1000)

Amman – February 19, 2024

Amoun International for Investments
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated statement of financial position as at December 31, 2023

	Note	2023	2022
ASSETS		JD	JD
Non-current Assets			
Property and equipment	3	5,495,548	5,663,023
Investment properties	4	866,203	866,203
Intangible asset	5	2,366	6,254
Total Non-Current Assets		**6,364,117**	**6,535,480**
Current Assets			
Financial assets at fair value through profit or loss	6	335,769	406,842
Other debit balances	7	68,333	62,407
Trade receivables	8	1,337	3,080
Cash and cash equivalents	9	303,669	284,712
Total Current Assets		**709,108**	**757,041**
TOTAL ASSETS		7,073,225	7,292,521
EQUITY AND LIABILITIES			
Equity			
Capital		6,180,371	6,180,371
Statutory reserve	10	362,890	362,890
Retained earnings	11	419,683	647,747
Total Equity		**6,962,944**	**7,191,008**
Liabilities			
Current Liabilities			
Operator payable		13,756	5,838
Other credit balances	12	88,107	85,352
Trade payables		8,418	10,323
Total Liabilities		**110,281**	**101,513**
TOTAL LIABILITIES AND EQUITY		7,073,225	7,292,521

The accompanying notes form part of these Consolidated financial statements

Amoun International for Investments
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Consolidated statement of comprehensive income for the year ended December 31, 2023

	Notes	2023	2022
		JD	JD
Hotel operating revenues	13	799,424	647,292
Hotel operating expenses	14	(612,745)	(540,980)
Hotel operating profit		**186,679**	**106,312**
Recovery of impairment in investment lands	4	-	198,946
Other revenues, net	15	68,409	52,037
Administrative expenses	16	(106,734)	(93,387)
Depreciation and amortization		(191,007)	(185,629)
Finance costs		-	(681)
(Loss) profit		**(42,653)**	**77,598**
Weighted average number of shares during the year		6,180,371 Share	6,180,371 Share
Basic (loss) profit per share	17	JD (-\007)	JD -\013

The accompanying notes form part of these Consolidated financial statements

Amoun International for Investments
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Consolidated statement of changes in equity for the year ended December 31, 2023

	Capital	Statutory reserve	Retained earnings	Total
	JD	JD	JD	JD
Balance as at January 1, 2022	6,180,371	346,839	1,204,237	7,731,447
Dividends	-	-	(618,037)	(618,037)
Profit	-	-	77,598	77,598
Statutory reserve	-	16,051	(16,051)	-
Balance as at December 31, 2022	**6,180,371**	**362,890**	**647,747**	**7,191,008**
Dividends	-	-	(185,411)	(185,411)
Loss	-	-	(42,653)	(42,653)
Balance as at December 31, 2023	**6,180,371**	**362,890**	**419,683**	**6,962,944**

The accompanying notes form part of these Consolidated financial statements

Amoun International for Investments
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Consolidated statement of cash flows for the year ended December 31, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES	JD	JD
(Loss) profit	(42,653)	77,598
Adjustments for :		
Depreciation and amortization	191,007	185,629
Loss on disposal of property and equipment	44,960	22,672
Recovery of impairment in investment lands	-	(198,946)
Change in fair value of financial assets at fair value through profit or loss	69,069	23,119
Recovery of expected credit loss allowance	-	(4,510)
Change in operating assets and liabilities:		
Aragen Biotechnology Co. receivable	-	100,000
Financial assets at fair value through profit or loss	2,004	(417,361)
Other debit balances	(5,926)	(7,662)
Trade receivables	1,743	20,090
Operator receivable	7,918	8,707
Other credit balances	(68,208)	61,933
Trade payables	(1,905)	(55,700)
Net cash from operating activities	**198,009**	**(184,431)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(65,729)	(228,497)
Purchase of intangible assets	(1,000)	(1,200)
Proceeds from sale of property and equipment	2,125	2,126
Net cash from investing activities	**(64,604)**	**(227,571)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends	(114,448)	(563,965)
Loan	-	(73,965)
Net cash from financing activities	**(114,448)**	**(637,930)**
Net change in cash and cash equivalents	**18,957**	**(1,049,932)**
Cash and cash equivalents - beginning of year	284,712	1,334,644
Cash and cash equivalents - end of year	**303,669**	**284,712**
Information about non-cash transactions		
Undelivered dividend	70,963	54,072

The accompanying notes form part of these Consolidated financial statements

1. Legal status and activities

- Legal status and activity for the parent company and its subsidiary as follows:

Company's Name	Legal status	Ownership percentage %	Record date at the Ministry of Industry and Trade	Record number	The main objectives of the company
Amoun International for Investments	Public shareholding company	-	April 28, 2008	452	Investing in real estate, agricultural, industrial, therapeutic, tourism, service and financial fields.
Rawat Ammoun Tourism Investments Co.	Limited liability	100	August 21, 2014	37916	Purchase lands, build apartments and residential complexes and other.

- On August 15, 2019 a managing agreement was signed between Rawat Ammoun Tourism Investment Co. and Firas Bashir establishment for Managing and Operating Hotels for that it is the operator for the Hotel. The duration of this agreement is 5 contract years renewed every year with the consent of the two parties, and in case of that the company terminate the agreement without a legal justification then the company is obligated to pay the average percentage of profits achieved to the operator in the period before the termination of the contract multiplied by each year of the remaining years of this agreement.
- This agreement begins on August 15, 2019 and ends on August 15, 2024.
- The operator is entitled to a percentage of the net profit after deducting all expenses, fees, taxes and all items related to operating expenses, wherever they are mentioned, where this percentage is according to the following:
  - 7% if the net profit to revenue ratio is less than 10%.
  - 10% if the net profit percentage of revenues exceeds 10%.
- The operator is entitled to a 3% share of the room's income.
- The operator shall commit to ensuring that the average monthly salaries for hotel workers are between 15,000 - 20,000 Jordanian dinars, and any increase from that will deduct from his dues.
- Operating expenses include the following:
  - Cost of consumables and goods.
  - Salaries and related expenses (including meals and uniforms for employees, social security, health insurance, and incentive commissions).
  - Power, water, telephones and telecommunications supplies.
  - Carry out regular repair and maintenance work required to maintain the hotel, operating equipment, furniture, fixtures and equipment.
  - Cost of operating supplies, operating equipment and materials.
  - Commissions for travel and tourism agencies, whether existing companies or websites of electronic reservation companies.
  - Taxes payable or expected in relation to the operation of the hotel, all taxes and fees, whatever their type, form, or description, licensing fees at all official authorities, and revenue taxes imposed on company or operator profits in accordance with the applicable laws and other taxes.
  - All fees and expenses related to monitoring and auditing of accounts or legal aspects related to the operation of the hotel, including what legal advisors receive.
  - Bad debts and doubtful debts after obtaining written approval from the company
  - Management, operation, supervision and follow-up fees.
- The financial statements were approved by the board of directors in its session number (01/2024) held on February 18, 2024 and requires the approval of the general assembly of shareholders.

2. Basis for preparation of consolidated financial statements and significant accountant policies

2-1 Basis for consolidated financial statement preparation

– Consolidated financial statements preparation framework

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by International Accounting Standard Board.

– Measurement bases used in preparing the consolidated financial statements

The consolidated financial statements have been prepared on the historical cost basis except for measurement of certain items at bases other than historical cost.

– Functional and presentation currency

The consolidated financial statements have been presented in Jordanian Dinar (JD) which is the functional currency of the entity.

2-2 Using of estimates

- When preparing of consolidated financial statements, management uses judgments, assessments and assumptions that affect applying the accounting policies and currying amounts of assets, liabilities, revenue and expenses. Actual result may differ from these estimates.
- Change in estimates are reviewed on a constant basis and shall be recognized in the period of the change, and future periods if the change affects them.
- For example, estimates may be required for expected credit losses, useful lives of depreciable assets, provisions, and any legal cases against the entity.

2-3 Standards and Interpretations issued that became effective

Standard number or interpretation	Description	Effective date
IFRS (17) Insurance Contracts	IFRS (17) was issued in May 2017 as replacement for IFRS (4) Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: • discounted probability-weighted cash flows • an explicit risk adjustment, and • A contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.	January 1,2023 (deferred from January 1,2021)
Amendments to IAS (1) and IFRS Practice Statement 2	The amendments to IAS (1) require entities to disclose their material rather than their significant accounting policies.	January 1, 2023.
Amendments to IAS (8)	The amendment to IAS (8) Accounting Policies, Changes in Accounting Estimates and Errors The distinction between accounting policies and changes in accounting estimates is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	January 1, 2023.
Amendments to IAS (12)	The amendments introduce an exception to the requirements in the standard that an entity does not recognize and does not disclose information about deferred tax assets and liabilities, an entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments	January 1,2023

Standards and Interpretations issued but not yet effective

Standard number or interpretation	Description	Effective date
IFRS (16) Leases	The amendment clarifies how a seller - lessee subsequently measures sale and lease back transaction.	January 1,2024
Amendments to IAS (1)	The amendments to Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date.	January 1, 2024 (Deferred from January 1, 2022).
Amendments to IAS 7 and IFRS7 regarding supplier finance arrangements	Amendments require entities to provide qualitative and quantitative information about supplier finance arrangements.	January 1,2024

2-4 Summary of significant accounting policies

- **Basis of consolidation**

  - The consolidated financial statements comprise the financial statements of the parent company and Rawat Ammoun Tourism Investments Co. (subsidiary) which is 100% controlled by the company.
  - Control is presumed to exist when the parent is exposed, or has rights, to variable returns from its involvement through its power over the investee, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control.
  - Intergroup balances, transactions, income and expenses shall be eliminated in full.

- **Property and equipment**

  - Property and equipment are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.
  - After initial recognition, the property and equipment are carried, in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.
  - The depreciation charge for each period is recognized as expense. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed over the estimated useful life of the assets using the following rates:

Category	Depreciation rate
	%
Buildings	2
Apartment	2
Kitchen machinery and equipment	15
Furniture and decorations	20

Category	Depreciation rate
	%
Electronic and offices devices	15-20
Solar energy system	5
Linens and accessories	20
Computer	25
Vehicle	15

- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the property and equipment, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.
- Amount paid to build up property and equipment are initially carried to projects under construction account. When the project becomes ready for use, it will be transferred to property and equipment caption.

- **Investment property**

- Investment property is property (land or building- or part of a building- or both):
  - Held by the entity to earn rentals,
  - For capital appreciation,

  Or both, rather than for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.
- Investment property is measured initially at its cost, including transaction costs.
- After initial recognition, investment property is carried, in the statement of financial position, at its cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.
- Buildings depreciation charge for each period is recognized in the statement of comprehensive income. Depreciation is calculated on a straight line basis, which reflects the pattern in which the buildings' future economic benefits are expected to be consumed by the entity over their estimated useful life of 25 years.
- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of investments property are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the investment property, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.

- **Intangible assets**

- Intangible assets are identifiable non-monetary assets without physical substance.
- Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses.

- Acquisition costs comprise the purchase price and other costs directly attributable to preparing the assets for their intended use. Intangible asset acquired through business combination is recognized at its cost, being its fair value at the acquisition date, separately from goodwill.
- Amortization charge is recognized as loss, on a straight-line basis over the following useful lives of intangible assets:

Category	Useful Life (in years)
	%
Accounting softwares	25
Website	25

- The estimated useful lives are reviewed at each financial year-end, with the effect of any changes in estimate being accounted for on a prospective basis.
- The carrying values of intangible assets are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairment loss is calculated in accordance with impairment of assets policy.

- **Impairment of non-financial assets**

  - At each statement of financial position date, management reviews the carrying amounts of its non-financial assets (property, plant and equipment and investment property) to determine whether there is any indication that those assets have been impaired.
  - If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset.
  - For the purpose of impairment valuation, assets are grouped at the lower level that have cash flow independently (cash generating unit), previous impairment for non-financial assets (excluding goodwill) is reviewed for the possibility of reversal at the date of the financial statements.
  - An impairment loss is recognized immediately as loss.
  - Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately as income.

- **Financial instruments**

  Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

  - **Financial assets**

  - A financial asset is any asset that is:
    (a) Cash;
    (b) An equity instrument of another entity;
    (c) A contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.
    (d) A contract that will or may be settled in the entity's own equity instruments.

- Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset, but for financial assets at fair value through profit or loss, transaction costs are recognized in profit or loss.
- Financial assets are classified to three categories as follows:
  - Amortized cost.
  - Fair value through other comprehensive income.
  - Fair value through profit or loss.

<u>Subsequent measurement of financial assets</u>

Subsequently financial assets are measured as follows:

Financial assets	Subsequent measurement
Financial assets at fair value through profit or loss	Are subsequently measured at fair value net gains or losses, including interests revenues or dividends, are recognized in profit or loss

<u>Derecognition of financial assets</u>

Derecognition of financial assets (or a part of a group of similar financial assets) when:
- The contractual rights to the cash flow from the financial assets expire, or
- It transfers the contractual rights to receive the cash flows of the financial assets or assume a contractual obligation to pay the cash flows entirely to a third party.

- <u>Financial liabilities</u>

- A financial liability is any liability that is:
  (a) A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
  (b) A contract that will or may be settled in the entity's own equity instruments.
- Financial liabilities are initially recognized at fair value less transaction costs, directly attributable to the acquisition or issue of those liabilities, except for the financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.
- After initial recognition, the entity measures all financial liabilities at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss which are measured at fair value and other determined financial liabilities which are not measured under amortized cost method.
- Financial liabilities at fair value through profit or loss are stated at fair value, with any resulting gain or loss from change in fair value is recognized through profit or loss.

- <u>Trade payables and accruals</u>

Trade payables and accruals are liabilities to pay for goods or services that have been received or supplied and have been either invoiced or formally agreed with the suppliers or not.

- <u>Offsetting financial instruments</u>

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, an entity currently has a legally enforceable right to set off amounts and intends to either settle in a net basis, or through realize the asset and settle the liability simultaneously.

- <u>Cash and cash equivalents</u>

Cash comprises cash on hand, current accounts and short term deposits at banks with a maturity date of three months or less, which are subject to an insignificant risk of changes in value.

- **Trade receivables**

  - Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
  - Trade receivables are stated at invoices (claims) amount net of allowance for expected credit losses which represents the collective impairment of receivables.

- **Impairment of financial assets**

  - At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVTOCI are credit - impaired. A financial assets is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.
  - The entity recognizers loss allowance for expected credit loss (ECL) on:
    - Financial assets measured at amortized cost.
    - Debt investments measured at FVOCI.
    - Contract assets.
  - The entity measures loss allowances at an amount equal to lifetime ECLs.
  - Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.
  - When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Entity considers reasonable and supportable information that is relevant and available without undue cost or effort based in the entitys historical experience and forward looking information.
  - The entity considers a financial asset to be in default when:
    - The client is unlikely to pay its credit obligations to the entity in full, without recourse by the entity to actions such as realizing security (if any); or
    - The financial asset is more than 360 days past due.
  - Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.
  - A financial assets is written of when there is no reasonable expectation of recovering the contractual cash flows. The entity write of the gross carrying amount of the financial asset is in case of, liquidation, bankruptcy or issuance of a court ruling to reject the claim for financial asset.

- **Basic earnings per share from loss or profit**

  Basic earnings per share is calculated by dividing profit or loss, attributable to ordinary shareholders, by the weighted average number of ordinary shares outstanding during the year.

- **Revenue recognition**

  - The entity recognize revenue from sale of good and rendering of service when control is transferred to the customer.
  - Revenues are recognized based on consideration specified in contract with customer that expected to be received excluding amounts collected on behalf of third parties.
  - Revenue is reduced for amount of any trade discounts and volume rebates allowed by the entity.

  Rendering of service

  Revenue resulting from the contract of service providing was recognized by referring to the percentage of operation at the date of financial statement.

Dividend and interest revenue

- Dividend revenue from investments is recognized when the shareholder's right to receive payment is established.
- Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

- Borrowing costs

- Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.
- Borrowing costs are expensed in the period in which they are incurred.

- Foreign currencies

- Transactions in currencies other than the functional currency (foreign currencies) are converted according to the exchange rates prevailing on the date of the transactions.
- In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement date (closing rate). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.
- Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

- Contingent liabilities

- Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably.
- Contingent liabilities are not recognized in the financial statements.

3. Property and equipment

	Lands	Building (*)	Apartment	Kitchen machinery and equipment	Furniture and decorations	Electronic and office devices	Solar energy system	Linens and accessories	Computer hardware and software	Vehicle	Project under construction	Total
2023	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost												
Balance - beginning of year	2,000,000	3,028,800	260,000	298,410	263,584	148,628	29,350	33,147	25,913	11,550	216,645	6,316,027
Additions	-	-	-	1,778	33,250	751	-	1,416	-	-	28,534	65,729
Disposals	-	(30,633)	-	-	(37,847)	(1,948)	-	-	-	-	-	(70,428)
Transferred from project under construction	-	143,357	-	-	101,822	-	-	-	-	-	(245,179)	-
Balance - end of year	2,000,000	3,141,524	260,000	300,188	360,809	147,431	29,350	34,563	25,913	11,550	-	6,311,328
Accumulated depreciation												
Balance - beginning of year	-	181,118	72,858	131,929	152,500	62,401	2,935	18,279	19,435	11,549	-	653,004
Depreciation	-	62,008	5,200	44,936	36,895	22,334	1,468	6,801	6,477	-	-	186,119
Disposals	-	(2,451)	-	-	(19,870)	(1,022)	-	-	-	-	-	(23,343)
Balance - end of year	-	240,675	78,058	176,865	169,525	83,713	4,403	25,080	25,912	11,549	-	815,780
Net	2,000,000	2,900,849	181,942	123,323	191,284	63,718	24,947	9,483	1	1	-	5,495,548
2022												
Cost												
Balance - beginning of year	2,000,000	3,028,800	260,000	295,648	298,362	148,713	29,350	31,402	25,913	11,550	-	6,129,738
Additions	-	-	-	2,762	5,482	1,863	-	1,745	-	-	216,645	228,497
Disposals	-	-	-	-	(40,260)	(1,948)	-	-	-	-	-	(42,208)
Balance - end of year	2,000,000	3,028,800	260,000	298,410	263,584	148,628	29,350	33,147	25,913	11,550	216,645	6,316,027
Accumulated depreciation												
Balance - beginning of year	-	120,542	67,658	87,348	135,393	40,612	1,467	11,899	13,092	11,549	-	489,560
Depreciation	-	60,576	5,200	44,581	33,714	22,592	1,468	6,380	6,343	-	-	180,854
Disposals	-	-	-	-	(16,607)	(803)	-	-	-	-	-	(17,410)
Balance - end of year	-	181,118	72,858	131,929	152,500	62,401	2,935	18,279	19,435	11,549	-	653,004
Net	2,000,000	2,847,682	187,142	166,481	111,084	86,227	26,415	14,868	6,478	1	216,645	5,663,023

(*) The building items mentioned above includes finance costs amounted JD 29,615 as at December 31, 2023.

4. Investment properties

	2023	2022
	JD	JD
Balance - beginning of year	866,203	667,257
Recovery of impairment in investment lands	-	198,946
Balance - end of year	**866,203**	**866,203**

(*) A decrease in the value of the land in the amount of JD 544,628 was calculated in previous years. After an increase during the year 2022 on land prices, the net value of the decrease on the plots of lands became JD 345,682.

(**) The average market value of investment lands according to the assessment of two real estate experts on January 11 and 17, 2024 amounted to JD 866,203.

5. Intangible asset

	Accounting softwares	Website	Total
2023	JD	JD	JD
Cost			
Balance - beginning of year	1,990	4,264	6,254
Additional	1,000	-	1,000
Amortization	(625)	(4,263)	(4,888)
Balance - end of year	**2,365**	**1**	**2,366**
2022			
Cost			
Balance - beginning of year	1,300	8,529	9,829
Additional	1,200	-	1,200
Amortization	(510)	(4,265)	(4,775)
Balance - end of year	**1,990**	**4,264**	**6,254**

6. Financial assets at fair value through profit or loss

	2023	2022
	JD	JD
Balance - beginning of year	406,842	12,600
Purchase during the year	1,495,330	832,584
Sale during the year	(1,497,334)	(415,223)
Change in fair value	(69,069)	(23,119)
Balance - end of year	**335,769**	**406,842**

7. Other debit balances

	2023	2022
	JD	JD
Prepaid expenses	18,135	14,115
Prepaid to income and sales tax department	15,651	6,860
Refundable deposit	14,390	14,390
Employees receivable	5,513	1,910
Work advances	5,034	12,130
Credit cards receivables	3,513	4,348
Other	3,271	5,958
Prepaid to national contribution	1,485	1,485
Brokerage receivables	1,341	635
Accrued interest revenue	-	576
Total	68,333	62,407

8. Trade receivables

	2023	2022
	JD	JD
Trade receivables	67,765	69,508
Less : Allowance for expected credit losses (*)	(66,428)	(66,428)
Net	1,337	3,080

(*) Movement on allowance for expected credit losses during the year is as follows:

	2023	2022
	JD	JD
Balance - beginning of year	66,428	69,428
Recovery of expected credit loss allowance	-	(3,000)
Balance - end of year	66,428	66,428

9. Cash and cash equivalents

	2023	2022
	JD	JD
Deposit at bank (*)	150,000	150,000
Current accounts at banks - Jordanian Dinar	148,925	130,177
Current account at bank - US Dollar	4,744	4,535
Total	303,669	284,712

(*) The deposit mentioned above is tied for one year with an interest rate of 5.75%.

10. Statutory reserve

Parent Company - Public Shareholding Company

- Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals one quarter of the Company's subscribed capital. However, the Company may, with the approval of the General Assembly, continue to deduct this annual ratio until this reserve equals the subscribed capital of the Company in full. Such reserve is not available for dividends distribution.
- For the general assembly after exhausting other reserves to decide in an extraordinary meeting to quench its losses from the accumulated amounts in statuary reserve, and to rebuild it in accordance with the provisions of the law.

Subsidiary Company - Limited Liability Company

- Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals of the Company's subscribed capital. Such reserve is not available for dividends distribution.
- For the general assembly after exhausting other reserves to decide in an extraordinary meeting to quench its losses from the accumulated amounts in statuary reserve, and to rebuild it in accordance with the provisions of the law.

11. Retained earnings

According to an extraordinary general assembly meeting that was held on March 15, 2023 it was decided to distribute dividends 3% of the Company's capital to shareholders equivalent to JD 185,411.

12. Other credit balances

	2023	2022
	JD	JD
Shareholders deposits	70,963	54,426
Accrued expenses	12,357	12,953
Advance payments from guest	4,201	7,912
Social security deposits	330	287
Sales and income tax department deposits	256	7,638
Employees payable	-	2,136
Total	88,107	85,352

13. Hotel operating revenues

	2023	2022
	JD	JD
Rooms	575,494	515,323
Other	102,789	14,775
Banquet hall	62,848	49,009
Food and beverage	58,293	68,185
Total	**799,424**	**647,292**

14. Hotel operating expenses

	2023	2022
	JD	JD
Departments expenses (14/a)	373,323	321,752
Administative expenses (14/b)	124,608	110,982
Services expenses	55,947	57,161
Marketing expenses	32,484	24,727
Maintenance department expenses	26,383	26,358
Total	**612,745**	**540,980**

(14/a) Department's expenses

	2023	2022
	JD	JD
Rooms (*)	189,208	169,811
Food and beverage (**)	126,946	118,309
Other (***)	40,682	7,868
Banquet hall	16,487	25,764
Total	**373,323**	**321,752**

(*) Rooms cost

	2023	2022
	JD	JD
Salaries, wages and related benefits	69,713	58,001
Agent commissions	60,869	49,153
Dry-clean and consumables	21,306	22,636
Guest supplies	12,088	15,398
Cleaning	8,636	9,918
Social security contribution	7,971	5,729
Staff meals	3,423	2,946
Stationery and printing	2,451	2,167
Health insurance	2,111	3,318
Miscellaneous	380	112
Staff uniform	260	433
Total	**189,208**	**169,811**

(**) **Food and beverage cost**

	2023	2022
	JD	JD
Salaries, wages and related benefits	60,607	52,400
Food and beverage	45,710	46,548
Social security contribution	7,643	5,956
Consumables	3,353	5,342
Staff meals	3,243	2,856
Health insurance	2,153	2,784
Cleaning supplies	1,583	597
Staff uniform	1,148	650
Guest supplies	753	890
Miscellaneous	753	70
Stationery and printing	-	216
Total	**126,946**	**118,309**

(***) **Other**

Within the other expenses amounted to JD 40,682 as at December 31, 2023, there is an amount of JD 32,298 as at December 31, 2023 represent what was paid to Mr. Omar Ahmed Khalil Pharoun as a management and operation allowance for the massage and Moroccan bath based on the agreement signed with him in the beginning of the year 2023.

(14/b) Administrative expenses

	2023	2022
	JD	JD
Operator fees (*)	38,219	29,905
Governmental fees and licenses	35,844	28,783
Security	9,915	9,934
Computer	9,390	11,013
Commissions	8,916	8,848
Imported service tax	6,696	-
Subscriptions	5,116	4,400
Communications	3,527	5,470
Travel and transportation	2,265	2,650
Insurance	1,904	2,329
Miscellaneous	1,199	5,820
Public relations	816	469
Stationery and printing	489	631
Banking	312	395
Advertising	-	335
Total	**124,608**	**110,982**

(*) This item represent operator portion from net income according to operation agreement, in addition to 3% from rooms revenue.

15. Other revenue, net

	2023	2022
	JD	JD
Gains on sale of financial assets at fair value through profit or loss	114,063	17,660
Service revenue	39,893	32,309
Dividends	20,250	-
Bank interests	7,114	24,120
Others	1,118	1,629
Loss on disposal property and equipment	(44,960)	(22,672)
Change in fair value of financial assets at fair value through profit or loss	(69,069)	(23,119)
Gym guarantee allowance	-	17,600
Recovery of expected credit losses allowance	-	4,510
Net	**68,409**	**52,037**

16. Administrative expenses

	2023	2022
	JD	JD
Salaries, wages and related benefits	57,592	49,149
Professional fees	13,950	13,950
Governmental fees and subscriptions	10,313	10,290
Social security contribution	8,116	6,290
Health insurance	4,525	4,749
Maintenance	2,637	827
Communication	2,323	2,088
Water and electricity	1,362	1,483
Foreign exchange	1,186	19
Vehicles expenses	1,097	1,054
Cleaning	1,013	844
Staff meal	935	872
General assembly meeting expense	891	271
Bank interests and commissions	304	503
Hospitality	288	232
Stationery and printings	147	120
Miscellaneous	49	361
Fines	6	-
Donations	-	200
Legal fees and expenses	-	85
Total	**106,734**	**93,387**

17. Basic (loss) profit per share

	2023	2022
	JD	JD
(Loss) profit	(42,653)	77,598
Weighted average number of share	6,180,371	6,180,371
Basic (loss) profit per share	JD (-\007)	JD -\013

18. Legal cases

According to the lawyer letter, there is one legal case raised by the company against others amounting to JD 120,000 and a final decision was obtained to oblige the defendant to pay the amount of fees, expenses, legal fees, and legal interest from the date of the claim until full payment.

19. Tax status

Parent

Company's tax status has not been settled with Income and Sale Tax Department for year 2022, in the opinion of management and tax consultant, there is no need to take any provisions and the company will not incur any future financial tax obligations.

Subsidiary

Income Tax

Sales and income tax status has not been settled with Income and Sales Tax Department for 2019, 2020, 2021 and 2022, according to the management and tax consultant's opinions, there is no need to take any provisions and the company will not incur any future financial tax obligations.

Sales Tax

Sales tax status has not been settled with Income and Sales Tax Department for 2017, 2018, 2019, 2020, 2021 and 2022, according to the management and tax consultant's opinion, there is no need to take any provisions and the company will not incur any future financial tax obligations.

20. Risk management

a) **Capital risk:**

Regularly, the capital structure is reviewed and the cost of capital and the risks associated with capital are considered. In addition, capital is managed properly to ensure continuing as a going concern while maximizing the return through the optimization of the debt and equity balance.

b) **Currency risk:**

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The risk arises on certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year.
- Certain procedures to manage the exchange rate risk exposure are maintained.
- Most of foreign currency transactions are in USD, and JD exchange rate is fixed against USD.
- The following table represents foreign currencies as at December 31, 2023:

Description	Currency	Exchange rate against Jordanian Dinar	Amount in foreign currency	Amount in local currency (JD)
Current account at bank	US Dollar	-/708	6,701	4,744

c) **Interest rate risk:**

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- The risk arises on exposure to a fluctuation in market interest rates resulting from borrowings and depositing in banks.
- The risk is managed by maintaining an appropriate mix between fixed and floating interest rates balances during the financial year.
- The following table shows the sensitivity of profit or loss and equity to changes in interest rates received by the entity on its deposits with banks and on interest rates paid by the entity on borrowing from the banks:

As of December 31, 2023	Change in interest		Effect on profit (loss) and equity
	%		JD
Deposit at bank	0.5	±	750

d) Other price risk:

- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- The risk arises from investing in equity investments.
- The following table shows the sensitivity to profit or loss and equity to the changes in the listed prices of investments in equity instruments, assuming no changes to the rest of other variables:

As of December 31, 2023	Change in price		Effect on profit (loss) and equity
	%		JD
Financial assets at fair value through profit or loss	5	±	16,788
As of December 31, 2022			
Financial assets at fair value through profit or loss	5	±	20,342

e) Credit risk:

- Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Regularly, the credit ratings of debtors and the volume of transactions with those debtors during the year are monitored.
- Ongoing credit evaluation is performed on the financial condition of debtors, also adequate provisions for doubtful receivables is taken.
- The carrying amount of financial assets recorded in the financial statements represents the - maximum exposure to credit risk without taking into account the value of any collateral obtained.

f) Liquidity risk:

- Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.
- Liquidity risk is managed through monitoring cash flows and matching with maturity dates of the financial assets and liabilities.
- The following table shows the maturity dates of financial assets and liabilities as of December 31:

	Less than a year	
Description	**2023**	**2022**
Assets	**JD**	**JD**
Financial assets at fair value through profit or loss	335,769	406,842
Other debit balances	48,713	46,807
Trade receivables	1,337	3,080
Cash and cash equivalents	303,669	284,712
Total	**689,488**	**741,441**
Liabilities		
Operator payable	13,756	5,838
Other credit balances	83,906	77,440
Trade payables	8,418	10,323
Total	**106,080**	**93,601**

21. Financial statements for the subsidiary

The consolidated financial statements includes the financial statement of Rawat Amoun for Tourism Investments (subsidiary) and it is as follows:

Company name	Paid capital	Percentage of ownership	Total assets	Total liabilities	Accumulated losses	Loss
	JD	%	JD	JD	JD	JD
Rawat Amoun for Tourism Investments	150,000	100	5,484,135	5,385,842	(51,707)	(51,707)

22. Fair value of financial instruments

- The entity shall classify measuring fair value methods using fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy of fair value of financial instruments have the following levels:
  - Level 1: listed prices (unadjusted) in active markets for identical assets or liabilities.
  - Level 2: inputs rather than prices listed in level 1 and observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
  - Level 3: inputs for the asset or liability is not based on comparable market data that can be observed (non-observable inputs).

	Levels	
As of December 31, 2023	1	Total
Financial assets	JD	JD
Financial assets at fair value through profit or loss	335,769	335,769

23. The potential effects of economic fluctuations

As a result of the current global conflict, where the entity has taken into account any possible impact of current economic fluctuations in the inputs of future macroeconomic factors when determining the severity and probability of economic scenarios to determine expected credit losses.

24. Reclassification

2022 balances have been reclassified to confirm to the adopted classification in 2023.