

*Al-Sharq Investment Projects Co.
Public Shareholding Co.
Amman – Jordan
Interim Financial Statements For the period
from 1/1/2024 to 30/6/2024
Report on the review of the interim financial
information (Unaudited)*

Al-Sharq Investment Projects Co.
Public Shareholding Co.
Amman – Jordan

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Report on the review of the interim financial information (Unaudited)

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Report on the review of the interim financial information (Unaudited)

**To the Board of Directors,
Al-Sharq Investment Projects Co.
Public Shareholding Co.
Amman – Jordan**

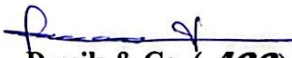
We have reviewed the accompanying interim financial statements of **Al-Sharq Investment Projects Co. (PLC)** and the related Interim Statement of Comprehensive Income, Interim Changes in Equity and Interim Cash Flow for the six months period ended on June 30th, 2024, and a summary of significant accounting policies and other explanatory notes from (1-7). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with the International Standard 34 (Interim Financial Reports). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the **Al-Sharq Investment Projects Co. (PLC)** financial position as at June 30th, 2024, and of its financial performance and its consolidated cash flows for the six month period then ended in accordance International Standard 34 (Interim Financial Reports).



**Dweik & Co. (ACC)
Audit & Consult Consortium
Rafiq T. Dweik (Phd)
Audit license No (386)**



**July 28th, 2024
Amman – Jordan**

Al-Sharq Investment Projects Co. (PLC)
Amman – Jordan
Statement of Interim Financial Position as of June 30th, 2024

Assets	<u>30/6/2024/JD</u>	<u>31/12/2023/JD</u>
<u>Current Assets</u>		
Cash and cash equivalents	1756583	2425337
Checks under collection	18418	9486
Accounts' receivable - Net	174315	152270
Inventory	75593	64567
Refundable deposits	102316	102316
Other current assets	596397	167349
Total Current Assets	<u>2723622</u>	<u>2921325</u>
<u>Non Current Assets</u>		
Operational assets	2	2
Financial assets at fair value through other comprehensive income	671157	745742
Intangible assets	1	1
Property, plant & equipment	17795590	18298360
Investment in bonds	400000	400000
Total Non Current Assets	<u>18866750</u>	<u>19444105</u>
Total Assets	<u>21590372</u>	<u>22365430</u>
<u>Liabilities & Owners' Equity</u>		
<u>Current Liabilities</u>		
Accounts' payable	408488	291213
Other current liabilities	780026	914192
Short term loan	132845	177780
Total Current Liabilities	<u>1321359</u>	<u>1383185</u>
<u>None Current liabilities</u>		
Long term loan	000	43955
<u>Owners' Equity</u>		
Capital	16000000	16000000
Statutory reserve	3900839	3900839
Voluntary reserve	20692	20692
Fair value adjustments through other comprehensive income	(91606)	(17022)
Retained earnings	439088	1033781
Net Owners' Equity	<u>20269013</u>	<u>20938290</u>
Total Liabilities & Owners' Equity	<u>21590372</u>	<u>22365430</u>

“ The accompanying notes are an integral part of these statements ”

Al-Sharq Investment Projects Co. (PLC)
Amman – Jordan
Statement of Interim Comprehensive Income
for the Period Ended June 30th, 2024, 2023

<u>Comprehensive income</u>	<u>30/6/2024</u> <u>JD</u>	<u>30/6/2023</u> <u>JD</u>
Operation's revenues	3237873	3539657
Operation's cost	(1142476)	(1228346)
Gross operating income	2095397	2311311
Overhead expenses	(545819)	(614777)
Maintenance & energy expenses	(450956)	(457272)
Marketing & advertizing expenses	(134382)	(128330)
Depreciation	(502770)	(493952)
Management fees	(109910)	(123141)
Other revenue	106963	78394
Profit for the period before tax /		
Comprehensive income	458523	572233
Provision for income tax	(88777)	(113919)
National contribution for public debt payment	(4439)	(5696)
Profit for the period after tax /		
Comprehensive income	365307	452618
Other Comprehensive income		
Fair value adjustments through other comprehensive income	(74584)	(13878)
Total other comprehensive income	(74584)	(13878)
Total comprehensive income for the period	290723	438740
Earnings per share from comprehensive income for the period	1,817%	%2,742
Weighted Average Shares	16000000	16000000

“ The accompanying notes are an integral part of these statements ”

Statement (C)

Al-Sharq Investment Projects Co. (PLC)
Amman – Jordan
Statement of Interim Changes in Equity
for the Period Ended June 30th, 2024, 2023

Description	Fair value				Retained Earnings	Total
	Capital	Statutory reserve	Voluntary reserve	adjustments through other comprehensive income		
Balance as of Dec. 31st, 2023	<u>16000000</u>	<u>3900839</u>	<u>20692</u>	<u>(17022)</u>	<u>1033781</u>	<u>20938290</u>
Profit for the period after tax / Comprehensive income	000	000	000	-	365307	365307
Dividends	000	000	000	000	(960000)	(960000)
Other Comprehensive income						
Fair value adjustments through other comprehensive income	000	000	000	(74584)	000	(74584)
Balance as of June 30th, 2024	<u>16000000</u>	<u>3900839</u>	<u>20692</u>	<u>(91606)</u>	<u>439088</u>	<u>20269013</u>
Balance as of Dec. 31st, 2022	<u>16000000</u>	<u>3758599</u>	<u>28056</u>	<u>(74798)</u>	<u>707410</u>	<u>20419267</u>
Profit for the period after tax / Comprehensive income	000	000	000	000	452618	452618
Dividends	000	000	(7364)	000	(632636)	(640000)
Other Comprehensive income						
Fair value adjustments through other comprehensive income	000	000	000	(13878)	000	(13878)
Balance as of June 30th, 2023	<u>16000000</u>	<u>3758599</u>	<u>20692</u>	<u>(88676)</u>	<u>527392</u>	<u>20218007</u>

“The accompanying notes are an integral part of these statements”

Al-Sharq Investment Projects Co. (PLC)
Amman – Jordan
Statement of Interim Cash Flows
for the Period Ended June 30th, 2024, 2023

	<u>30/6/2024</u>	<u>30/6/2023</u>
	<u>JD</u>	<u>JD</u>
<u>Cash Flows From Operating Activities:</u>		
Total comprehensive income for the period	290723	438740
<u>Adjustments:</u>		
Depreciation	502770	493952
Adjustments on financial assets	74584	13878
Operating income before working capital changes:	<u>868077</u>	<u>946570</u>
Accounts' receivable and other current assets	(471051)	(1580285)
Accounts' payable and other current liabilities	(16890)	27315
Net cash flows from operating activities	<u>380136</u>	<u>(606400)</u>
<u>Cash Flows From Investing Activities:</u>		
Property, plant & equipment	000	(777)
Financial assets at fair value through other comprehensive income	000	(205285)
Net cash flows from investing activities	<u>000</u>	<u>(206062)</u>
<u>Cash Flows From Financing Activities:</u>		
Due to bank	000	229
Loan	(88890)	(88890)
Dividends	(960000)	(640000)
Net cash flows from financing activities	<u>(1048890)</u>	<u>(728661)</u>
Net change in cash and cash equivalents	<u>(668754)</u>	<u>(1541123)</u>
Cash & cash equivalents at beginning of the period	<u>2425337</u>	<u>2461479</u>
Cash & cash equivalents at end of the period	<u><u>1756583</u></u>	<u><u>920356</u></u>

“The accompanying notes are an integral part of these statements”

Al-Sharq Investment Projects Co. (PLC)
Amman – Jordan
Notes to Interim Financial Statements
June 30th, 2024

1- Constitution and objectives:

- A-** Al-Sharq Investment Projects Company is registered as a public shareholding company under the No. (258) with issued capital of JD (16000000) /share after the merger of al-Shark Investment Projects Company with al-Shark For Hotel & Tourism Company (LLC) on 1/10/2005, and the merger was approved by the Minister of Industry on 20/3/2006. The Company's opening balances resulting from the merger were recorded by the revaluated amounts.
- B-** The Company owns a hotel operating under the name “ Holiday Inn Hotel- Amman” which was opened in 1999 and managed by Holiday Inn Group (Inter Continental Group) under a management agreement signed during 1995, which some of its items has been amended during the following years and has been extended until 14/7/2019. On 10/2/2019 the Board of Directors decided to terminate the above mentioned management contract starting from the date of its expiry on 14/7/2019, and agreed with Mövenpick Hotels & Resorts to manage and operate the Hotel starting 15/7/2019.
- C-** The financial statements were approved by the board of directors on July 27th, 2024, and it is subject to be approved by the general assembly.
- D- Objectives:**
To establish and manage hotels and tourist resorts and managing of subsidiaries or participating in the management of other companies in which they contribute.

2- Significant accounting policies:

The interim financial statements are prepared under the International Standard 34 (Interim Financial Reports) and the related interpretations originated by the International financial Reporting Interpretations Committee.

The interim financial statements do not include all significant matters and explanatory notes that are required for the annual financial statements and are prepared in accordance with the International Financial Reporting Standards, in addition the interim financial performance is not necessarily represents an indicator of the annual financial performance.

Accounting policies are implemented on consistent bases in the financial statements as previously implemented.

3- Corporate Tax position:

- ◆ The tax position of the Company was finalized with Income and Sales Tax Department till end of the years 2019 and 2022.
- ◆ Tax declaration of the Company for the years 2020, 2021, 2023 were submitted to Income and Sales Tax Department, and tax assessment still not made by the Department yet.

4- **Contingencies**

- a- There are labor lawsuits filed against the Company amounting JD (22000).

- b- There are contingent liabilities at the date of the financial statements have been arise as a result of L/G's for an amount of JD (3600) after deducting the counter deposits.

5- **Dividends:**

Dividends available for distribution, as of 30/6/2024, amounting JD (347 482), after the retention of part of the retained earnings to meet the negative values in the Statement of Changes in Equity pursuant to the instructions of Jordan Securities Commission amounting JD (91 606).

6- **Operating Segments:**

The Company carries out its activities through a major activity of establishing and managing of hotels. The financial statements include the financial performance of the company's hotel.

7- **General:**

A- The General Assembly Meeting decided on its meeting held on 27/4/2024 to distribute a percentage of (6%) of the issued capital as cash dividends to shareholders out of retained earnings as of 31/12/2023 .

B- Attention must be drawn to the effect of the Jordan Securities Commission regulations and Jordanian Companies Law on calculating statutory reserve only on the realized earnings bases, as well as presenting the unrealized earnings separately in the retained earnings item. Attention to be drawn to restrictions on the distributing dividends for unrealized earnings.