

***Al-Sharq Investment Projects Co.
Public Shareholding Co.
Amman – Jordan
Interim Financial Statements For the period
from 1/1/2023 to 30/9/2023
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 nine months period ended on September 30th, 2023, 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 September 30th, 2023, and of its financial performance and its cash flows for the nine months 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)



October 23rd, 2023
Amman - Jordan

Al-Sharq Investment Projects Co. (PLC)
Amman – Jordan
Statement of Interim Financial Position as of September 30th, 2023

Assets	<u>30/9/2023/JD</u>	<u>31/12/2022/JD</u>
<u>Current Assets</u>		
Cash and cash equivalents	1820696	2461479
Checks under collection	153551	9605
Accounts' receivable - Net	292074	344178
Inventory	70619	47242
Refundable deposits	102316	102316
Other current assets	1361266	405324
Total Current Assets	<u>3800522</u>	<u>3370144</u>
<u>Non Current Assets</u>		
Operational assets	2	2
Financial assets at fair value through other comprehensive income	679736	482680
Intangible assets	1	1
Property, equipment & tools	17349191	18062814
Bonds' investment	400000	000
Total Non Current Assets	<u>18428930</u>	<u>18545497</u>
Total Assets	<u>22229452</u>	<u>21915641</u>
<u>Liabilities & Owners' Equity</u>		
<u>Current Liabilities</u>		
Accounts' payable	310919	389796
Other current liabilities	884685	706963
Short term loan	177780	177780
Due to bank	239	100
Total Current Liabilities	<u>1373623</u>	<u>1274639</u>
<u>None Current liabilities</u>		
Long term loan	88400	221735
<u>Owners' Equity</u>		
Capital	16000000	16000000
Statutory reserve	3758599	3758599
Voluntary reserve	20692	28056
Fair value adjustments through other comprehensive income	(83028)	(74798)
Retained earnings	1071166	707410
Net Owners' Equity	<u>20767429</u>	<u>20419267</u>
Total Liabilities & Owners' Equity	<u>22229452</u>	<u>21915641</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 September 30th, 2023, 2022

<u>Comprehensive income</u>	<u>30/9/2023</u> <u>JD</u>	<u>30/9/2022</u> <u>JD</u>
Operation's revenues	5955212	4720002
Operation's cost	(1940785)	(1543133)
Gross operating income	4014427	3176869
Overhead expenses	(946031)	(839942)
Maintenance & energy expenses	(729430)	(658292)
Marketing & advertizing expenses	(206555)	(217098)
Depreciation	(737899)	(679875)
Management fees	(244640)	(117394)
Other revenue	81496	28607
Received dividends	29186	25538
Income for the period before tax /		
Comprehensive income	1260554	718413
Provision for income tax	(251583)	(149247)
National contribution for public debt payment	(12579)	(7462)
Income for the period after tax /		
Comprehensive income	996392	561704
<u>Other Comprehensive income</u>		
Fair value adjustments through other comprehensive income	(8230)	144082
Profit on sales of financial assets	000	110896
Total other comprehensive income	(8230)	254978
Total comprehensive income for the period	988162	816682
Earnings per share from comprehensive income for the period	6,176%	5,104%
Weighted Average Shares	1600000	1600000

“ 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 September 30th, 2023, 2022

Description	Capital		Statutory reserve	Voluntary reserve	Fair value adjustments through other comprehensive income		Retained earnings	Total
	JD	JD			JD	JD		
Balance as of Dec.31st, 2022	16000000	3758599	28056	(74798)	707410	20419267		JD
Income for the period after tax / Comprehensive income	000	000	000	000	996392	996392		JD
Dividends	000	000	(7364)	000	(632636)	(640000)		JD
Other Comprehensive income								
Fair value adjustments through other comprehensive income	000	000	000	(8230)	000	(8230)		(8230)
Balance as of September 30th, 2023	<u>16000000</u>	<u>3758599</u>	<u>20692</u>	<u>(83028)</u>	<u>1071166</u>	<u>20767429</u>		
Balance as of Dec.31st, 2021	16000000	3637069	28056	(237121)	(121309)	19306695		
Income for the period after tax / Comprehensive income	000	000	000	000	561704	561704		
Other Comprehensive income								
Fair value adjustments through other comprehensive income	000	000	000	144082	000	144082		144082
Proceeds on sales of financial assets	000	000	000	000	110896	110896		110896
Balance as of September 30th, 2022	<u>16000000</u>	<u>3637069</u>	<u>28056</u>	<u>(93039)</u>	<u>551291</u>	<u>20123377</u>		

"The accompanying notes are an integral part of these statements"

Statement (D)

Al-Sharq Investment Projects Co. (PLC)
Amman – Jordan
Statement of Interim Cash Flows
for the Period Ended September 30th, 2023,2022

	<u>30/9/2023</u>	<u>30/9/2022</u>
	<u>JD</u>	<u>JD</u>
<u>Cash Flows From Operating Activities:</u>		
Total comprehensive income for the period	988162	816682
<u>Adjustments:</u>		
Depreciation	737899	679875
Adjustments on financial assets	8230	(144082)
Profit on sales of financial assets	000	(110896)
	<hr/>	<hr/>
Operating income before working capital changes:	1734291	1241579
Accounts' receivable and other current assets	(1071161)	(1055005)
Accounts' payable and other current liabilities	98845	305415
	<hr/>	<hr/>
Net cash flows from operating activities	761975	491989
<u>Cash Flows From Investing Activities:</u>		
Property, plant & equipment	(24276)	(74294)
Financial assets of fair value through Other comprehensive income	(205286)	939222
Bonds' investment	(400000)	000
	<hr/>	<hr/>
Net cash flows from investing activities	(629562)	864928
<u>Cash Flows From Financing Activities:</u>		
Due to bank	139	(4565)
Loan	(133335)	(133335)
Dividends	(640000)	000
	<hr/>	<hr/>
Net cash flows from financing activities	(773196)	(137900)
	<hr/>	<hr/>
Net change in cash and cash equivalents	(640783)	1219017
Cash & cash equivalents at beginning of the period	2461479	1075484
	<hr/>	<hr/>
Cash & cash equivalents at end of the period	1820696	2294501
	<hr/> <hr/>	<hr/> <hr/>

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

Al-Sharq Investment Projects Co. (PLC)
Amman – Jordan
Notes to Interim Financial Statements
September 30th, 2023

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 broad of directors on October 21st , 2023 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, 2022.
- ◆ Tax declaration of the Company for the years 2020, 2021, 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 amounted JD (29716).
- 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 (4025) after deducting the counter deposits.

5- **Dividends:**

Dividends available for distribution, as of 30/9/2023, amounting JD (988 138), 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 (83 028).

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 19/4/2023 to distribute a percentage of (4%) of the issued capital as cash dividends to shareholders out of retained earnings and voluntary reserve as of 31/12/2022 .
- 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.