

***Al-Sharq Investment Projects Co.
Public Shareholding Co.
Amman – Jordan
Interim Financial Statements For the period
from 1/1/2024 to 31/3/2024
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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330/1/108/2210

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 three months period ended on March 31st, 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 March 31st, 2024, and of its financial performance and its cash flows for the three 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)



April 28th, 2024
Amman - Jordan

Al-Sharq Investment Projects Co. (PLC)
Amman – Jordan
Statement of Interim Financial Position as of March 31st, 2024

Assets	<u>31/3/2024/JD</u>	<u>31/12/2023/JD</u>
<u>Current Assets</u>		
Cash and cash equivalents	2389625	2425337
Checks under collection	6073	9486
Accounts' receivable - Net	159180	152270
Inventory	62455	64567
Refundable deposits	102316	102316
Other current assets	390579	167349
Total Current Assets	<u>3110228</u>	<u>2921325</u>
<u>Non Current Assets</u>		
Operational assets	2	2
Financial assets at fair value through other comprehensive income	716343	745742
Intangible assets	1	1
Property, equipment & tools	18032205	18298360
Investment in bonds	400000	400000
Total Non Current Assets	<u>19148551</u>	<u>19444105</u>
Total Assets	<u>22258779</u>	<u>22365430</u>
<u>Liabilities & Owners' Equity</u>		
<u>Current Liabilities</u>		
Accounts' payable	255197	291213
Other current liabilities	797929	914192
Short term loan	177290	177780
Total Current Liabilities	<u>1230416</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	(46420)	(17022)
Retained income	1153252	1033781
Net Owners' Equity	<u>21028363</u>	<u>20938290</u>
Total Liabilities & Owners' Equity	<u>22258779</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 March 31st, 2024, 2023

<u>Comprehensive income</u>	<u>31/3/2024</u> <u>JD</u>	<u>31/3/2023</u> <u>JD</u>
Operation's revenues	1425664	1611245
Operation's cost	(506865)	(554892)
Gross operating income	918799	1056353
Overhead expenses	(266105)	(292328)
Maintenance & energy expenses	(214830)	(222592)
Marketing & advertizing expenses	(62045)	(63395)
Depreciation	(266155)	(248134)
Management fees	(41548)	(54672)
Other revenue	79222	55890
profit for the period before tax / comprehensive income	147338	231122
Provision for income tax	(26540)	(45697)
National contribution for public debt payment	(1327)	(2285)
profit for the period after tax / comprehensive income	119471	183140
<u>Other Comprehensive income</u>		
Fair value adjustments through other comprehensive income	(29398)	18242
Total other comprehensive income	(29398)	18242
Total comprehensive income for the period	90073	201382
Earnings per share from comprehensive income for the period	0,563%	1,259%
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 March 31st, 2024, 2023

Description	Capital	Statutory reserve	Voluntary reserve	Fair value adjustments through other comprehensive income	Retained earnings (loss)	Total
	JD	JD	JD	JD	JD	JD
Balance as of Dec.31 st , 2023	16000000	3900839	20692	(17022)	1033781	20938290
Profit for the period after tax / Comprehensive income	000	000	000	000	119471	119471
<u>Other Comprehensive income</u>						
Fair value adjustments through other comprehensive income	000	000	000	(29398)	000	(29398)
Balance as of March 31 st , 2024	<u>16000000</u>	<u>3900839</u>	<u>20692</u>	<u>(46420)</u>	<u>1153252</u>	<u>21028363</u>
Balance as of Dec.31 st , 2022	16000000	3758599	28056	(74798)	707410	20419267
Profit for the period after tax / Comprehensive income	000	000	000	000	183140	183140
<u>Other Comprehensive income</u>						
Fair value adjustments through other comprehensive income	000	000	000	18242	000	18242
Balance as of March 31 st , 2023	<u>16000000</u>	<u>3758599</u>	<u>28056</u>	<u>(56556)</u>	<u>890550</u>	<u>20620649</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 March 31st, 2024, 2023

	<u>31/3/2024</u>	<u>31/3/2023</u>
	<u>JD</u>	<u>JD</u>
<u>Cash Flows From Operating Activities:</u>		
Total comprehensive income for the period	90073	201382
<u>Adjustments:</u>		
Depreciation	266155	248134
Provision for income tax	26540	45697
National contribution for public debt payment	1327	2285
Adjustments on financial assets	29398	18242
Operating income before working capital changes:	413493	515740
Accounts' receivable and other current assets	(224614)	(459303)
Accounts' payable and other current liabilities	(180146)	(72301)
Net cash flows from operating activities	8733	(15864)
<u>Cash Flows From Investing Activities:</u>		
Financial assets at fair value through other comprehensive income	000	(36484)
Net cash flows from investing activities	000	(36484)
<u>Cash Flows From Financing Activities:</u>		
Loan	(44445)	(44445)
Net cash flows from financing activities	(44445)	(44445)
Net change in cash and cash equivalents	(35712)	(96793)
Cash & cash equivalents at beginning of the period	2425337	2461479
Cash & cash equivalents at end of the period	2389625	2364686

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

Al-Sharq Investment Projects Co. (PLC)
Amman – Jordan
Notes to Interim Financial Statements
March 31st, 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 April 27th, 2024.
- 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.

The same accounting policies used in the previous period's financial statements have been adopted.

3- **Corporate Tax position:**

- ◆ The tax position of the Company was finalized with Income and Sales Tax Department till end of the year 2019 and 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 (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 31/3/2024, amounting JD (1106832), 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 (46420).

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:**

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.