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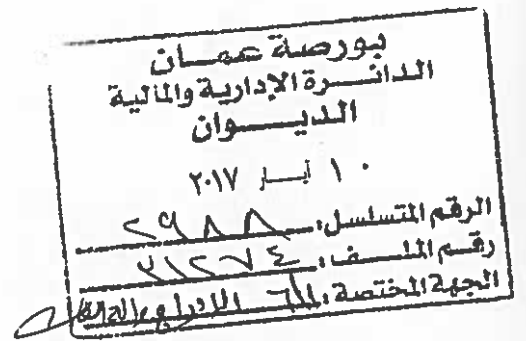
السادة بورصة عمان المحترمين

تحية طيبة وبعد،

نرفق لكم طيه القوائم المالية الموحدة باللغة الانجليزية لشركة دارات الأردنية القابضة للسنة المنتهية في 31 كانون أول 2016 والربع الاول من عام 2017 المنتهي في 31-03-2017.

وتفضلوا بقبول فائق الاحترام،،،،،

شركة دارات الاردنية القابضة



دارات الأردنية القابضة
DARAT JORDAN HOLDINGS

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DARAT JORDAN HOLDINGS COMPANY

PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2016

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Darat Jordan Holdings Company

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Darat Jordan Holdings Company - Public Shareholding Company (the Company) and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2016 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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 financial position of the Group as at 31 December 2016, 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 consolidated Financial Statements section of our report. We are independent of the Group 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 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 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. 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 consolidated 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 consolidated 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 consolidated financial statements.

1. Revenue recognition:

Total recognized revenues for the year ended 31 December 2016 amounted to JD 1,200,451. We focus on revenue recognition because it is material and it is an important determinant of the Group's profitability. In addition, there is a risk of improper revenue recognition, particularly with regard to revenue recognition in the correct reporting period.

Our audit procedures included considering the appropriateness of the Group's revenue recognition accounting policies and assessing compliance with the policies in terms of applicable accounting standards. Furthermore, since the Group has limited number of sales transactions, we obtained the full list of sales transactions during the year, substantiated to supporting documents, and tested proper recording and recognition.

Other information included in the Group's 2016 annual report

Other information consists of the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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 IFRSs, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 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 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 ISAs, 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However future events or conditions may cause the Group 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 consolidated financial statements. 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 to 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 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 Group maintains proper books of accounts and the accompanying consolidated financial statements and financial information presented in the Board of Directors' report are in agreement therewith.



Amman – Jordan
18 March 2017

Ernst & Young / Jordan

Mohammad Al-Karaki
Registration No. 882

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHARE HOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of 31 DECEMBER 2016

ASSETS	Notes	2016	2015
		JD	JD
Non-Current Assets -			
Properties and equipment	6	20,659	20,457
Investments in lands	7	3,163,136	3,163,136
Properties under development	8	1,913,029	2,579,672
Investments in associates	9	1,822,349	1,717,684
Financial assets at fair value through other comprehensive income	10	-	3,000,000
Cheques under collection		102,364	313,865
Advance payments on investments		46,890	-
		<u>7,068,427</u>	<u>10,794,814</u>
Current Assets-			
Real estate Inventory	11	-	185,612
Financial assets at fair value through profit or loss	12	1,517,785	464,230
Accounts receivable	13	1,255	2,505
Other current assets	14	53,934	57,860
Cheques under collection		418,860	229,051
Due from related parties	23	64,717	9,433
Restricted bank balances	21	386,881	327,749
Cash and bank balances	15	1,733,365	1,280,480
		<u>4,176,797</u>	<u>2,556,920</u>
Total Assets		<u>11,245,224</u>	<u>13,351,734</u>
<u>EQUITY AND LIABILITIES</u>			
Equity-			
Paid in capital	16	15,000,000	15,000,000
Statutory reserve	16	29,308	14,811
Accumulated losses		<u>(3,798,787)</u>	<u>(1,831,321)</u>
		11,230,521	13,183,490
Non-controlling interests		-	(945)
Total Equity		<u>11,230,521</u>	<u>13,182,545</u>
Liabilities-			
Current Liabilities-			
Advances from customers		-	151,267
Accounts payable and other current liabilities	17	14,703	17,922
Total Liabilities		<u>14,703</u>	<u>169,189</u>
Total Equity and Liabilities		<u>11,245,224</u>	<u>13,351,734</u>

The accompanying notes from 1 to 29 are an integral part of these consolidated financial statements

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 JD	2015 JD
Farm's sales		1,011,951	-
Residential apartment's sales		188,500	370,850
Cost of farm's sales	8	(1,023,449)	-
Cost of residential apartment's sales	11	(201,484)	(309,467)
Gross (loss) profit		(24,482)	61,383
Depreciation	6	(3,592)	(14,558)
Gains on financial assets at fair value through profit or loss	18	158,717	55,266
Administrative expenses	19	(287,204)	(288,975)
Other income, net		15,392	31,582
Doubtful debts written off	13	-	(44,938)
Interest income		59,416	48,936
Group's share of profit of associates	9	194,665	156,769
Profit for the year		112,912	5,465
Attributable to:			
Equity holders'		111,967	5,465
Non-controlling interests		945	-
		112,912	5,465
		<u>JD/Fils</u>	<u>JD/Fils</u>
Basic and diluted earnings per share attributable to equity holders	20	<u>0/0075</u>	<u>0/0004</u>

The accompanying notes from 1 to 29 are an integral part of these consolidated financial statements

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>2016</u>	<u>2015</u>
	JD	JD
Profit for the year	112,912	5,465
Other comprehensive income items which will not be reclassified to profit or loss in subsequent periods, net of tax		
Realized losses from sale of financial assets at fair value through other comprehensive income	<u>(2,064,936)</u>	<u>-</u>
Total of comprehensive income for the year	<u>(1,952,024)</u>	<u>5,465</u>
Attributable to:		
Equity holders'	(1,952,969)	5,465
Non-controlling interests	<u>945</u>	<u>-</u>
	<u>(1,952,024)</u>	<u>5,465</u>

The accompanying notes from 1 to 29 are an integral part of these consolidated financial statements

**DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Accumulated losses						Non-controlling interests		Total equity
	Paid in capital	Statutory reserve	Accumulated losses	Unrealized gains	Total		Total	Non-controlling interests	
					JD	JD			
For the year ended 31 December 2016 -									
Balance at 1 January 2016	15,000,000	14,811	(1,986,669)	155,348	(1,831,321)	13,183,490	(945)	13,182,545	
Profit for the year	-	-	(17,346)	129,313	111,967	111,967	945	112,912	
Realized losses from sale of financial assets at fair value through other comprehensive income	-	-	(2,064,936)	-	(2,064,936)	(2,064,936)	-	(2,064,936)	
Total comprehensive income for the year	-	-	(2,082,282)	129,313	(1,952,969)	(1,952,969)	945	(1,952,024)	
Transfer to statutory reserve	-	14,497	(14,497)	-	(14,497)	-	-	-	
Balance at 31 December 2016	15,000,000	29,308	(4,083,448)	284,661	(3,798,787)	11,230,521	-	11,230,521	
For the year ended 31 December 2015 -									
Balance at 1 January 2015	15,000,000	14,265	(1,962,733)	126,493	(1,836,240)	13,178,025	(945)	13,177,080	
Total comprehensive income for the year	-	-	(23,390)	28,855	5,465	5,465	-	5,465	
Transfer to statutory reserve	-	546	(546)	-	(546)	-	-	-	
Balance at 31 December 2015	15,000,000	14,811	(1,986,669)	155,348	(1,831,321)	13,183,490	(945)	13,182,545	

The accompanying notes from 1 to 29 are an integral part of these consolidated financial statements

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
<u>OPERATING ACTIVITIES</u>		<u>JD</u>	<u>JD</u>
Profit before income tax		112,912	5,465
Adjustments for:			
Depreciation	6	3,592	14,558
Interest income		(59,416)	(48,936)
Gains on financial assets at fair value through profit or loss	18	(129,313)	(28,855)
Group share of profit of associates	9	(194,665)	(156,769)
Doubtful debts written off	13	-	44,938
Loss on disposal of properties and equipment		7,538	100
Transfers to revenues from advances from customers		(151,267)	-
Working capital changes:			
Cheques under collection		21,692	197,334
Accounts receivable and other current assets		20,745	48,882
Accounts payable and other current liabilities		(3,219)	398
Restricted cash		(59,132)	(18,398)
Real estate inventory		185,612	296,749
Advances from customers		-	51,260
Net cash flows (used in) from operating activities		<u>(244,921)</u>	<u>406,726</u>
<u>INVESTING ACTIVATES</u>			
Financial assets at fair value through profit or loss		(878,625)	(31,899)
Purchase of properties and equipment	6	(11,332)	(10,839)
Proceeds from sale of properties and equipment		-	5,500
Proceeds from sale of financial assets at fair value through other comprehensive income		889,447	-
Transfers to associates (due from related parties)		(55,284)	(3,165)
Properties under development		666,643	(112,535)
Interest received		43,847	49,976
Advance payments on investments		(46,890)	-
Dividends from associates	9	90,000	225,000
Net cash flows from investing activities		<u>697,806</u>	<u>122,038</u>
Net increase in cash and cash equivalents		452,885	528,764
Cash and cash equivalents at 1 January		1,280,480	751,716
Cash and cash equivalents at 31 December	15	<u>1,733,365</u>	<u>1,280,480</u>

The accompanying notes from 1 to 29 are an integral part of these consolidated financial statements

(1) General

Darat Jordan Holdings Company was established as a public shareholding Company on 6 December 2007 with an authorized and paid in capital of JD 15,000,000 divided into 15,000,000 shares at a par value of JD 1 per share. The Group was granted the right to commence its operations on 10 April 2008.

The Group's objectives are to invest its funds and sources of financing in all types of available investments in different economic, financial, industrial, commercial, agriculture, real estate, tourism, and services sectors through its subsidiaries and owned companies

The Company's headquarter is located in Khalda, King Abdullah the Second Street, Building 167, Amman-Jordan.

The consolidated financial statements authorized for issue by the Board of Directors in their meeting held on 18 March 2017, and they are subject to the approval of the Company's General Assembly.

(2) Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other profit or loss and financial assets at fair value through other comprehensive income that have been measured at fair value as at the date of the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards "IFRS".

The consolidated financial statements are presented in Jordanian Dinars "JD" which is the functional currency of the Group.

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2016

(3) Basis of consolidation

The consolidated financial statements comprise the financial statements of Darat Jordan Holdings Company ("The Company") and its subsidiaries (referred to together as "the Group") as of 31 December 2016:

Group name	Paid in capital JD	Principle activities	Ownership percentage %		Group Nature
			2016	2015	
Darat Al Reef Jordan Real estate Company	50,000	Real Estate Development	100	100	Private shareholding Company
Jordanian European Real Estate Management Company	5,000	Real Estate Management	100	100	Limited Liability Company
Altanfezeyoun for Real Estate Development	10,000	Real Estate Services Management	100	100	Limited Liability Company
Al Mashkah Company	10,000	Financial and educational consultations	100	100	Limited Liability Company
Al Marsa Alamen for Real Estate Development	1,000	Real Estate Services Management	100	100	Limited Liability Company
Al Hadas for development and investments Company	19,000	Real Estate Services Management	100	100	Limited Liability Company

The control exists when the Group controls the subsidiaries' significant and relevant activities, and is exposed, or has the rights, to variable returns from its involvement with the subsidiaries, and has the ability to affect those returns. Control over the subsidiaries is exercised when the following factors exist:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Group owns less than a majority of the voting rights in an investee, in this case, the Group considers all factors and circumstances to determine whether it has control over the investee, which include the following:

- Contractual agreements with shareholders that have voting rights in the investee.
- Rights resulting from other contractual arrangements.
- The Group's current and future voting rights in the investee.

The Group reassesses its control over the investee when circumstances and factors exist that lead to the change in one or more of the three factors listed above.

Subsidiaries are fully consolidated from the date of acquisition being the date on which the Group gains control, and continues to do so until the date when such control ceases. The subsidiaries revenues and expenses are consolidated in the consolidated statement of comprehensive income from the date the Group gains control over the subsidiaries until that control ceases.

Profits, losses, and all other comprehensive income items are attributed to the shareholders' equity of the parent company, and to non-controlling interest, even if this leads to a deficit balance. If need arises, the subsidiaries' financial statements are adjusted accordingly to comply with the Group's accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in the statement of profit or loss and other comprehensive income
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(4) USE OF ESTIMATES

The preparation of the consolidated 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 as well as fair value changes reported in equity. In particular, considerable judgment by management is required in the estimation of the amounts 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.

(4) USE OF ESTIMATES (Continued)

Useful life of properties and equipment

The Group's management estimates the useful life for properties and equipment for the purpose of calculating depreciation by depending on the expected useful life of these assets. Management reviews the remaining book value and useful life annually. Future depreciation expense is adjusted if management believes that the remaining useful life of the assets differs from previous estimations.

Provision for doubtful debts

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

(5) Significant accounting policies

The accounting policies used in the preparation of the consolidated financial statements for the year ended 31 December 2016 are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2015, Except for the following:

Equity Method in Separate Financial Statements (Amendments to IAS 27 and IFRS 1)

In August 2014, the IASB amended IAS 27 Separate Financial Statements which restore the option for entities, in the separate financial statements, to account for investments in subsidiaries, associates and joint ventures using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

(5) Significant accounting policies (Continued)

IAS 1 Presentation of Financial Statements – Amendments to IAS 1

The amendments to IAS 1 include narrow-focus improvements related to:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income (OCI) arising from equity accounted investments

Investment entities (Amendments to IFRS 10 and IAS 28)

The amendments address the issues arising in practice in the application of the investment entities consolidation exception and clarify that:

- The exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity: The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate properties, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

(5) Significant accounting policies (Continued)

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation.

The implementation of the new amendments did not have impact on the Company's financial position or performance

The significant accounting policies adopted are as follows:

Properties and equipment

Properties and equipment are stated at cost, net of accumulated depreciation and any impairment value. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated statement of comprehensive income.

Properties and equipment are depreciated when they become ready for use, on a straight line basis over the estimated useful lives using the following rates:

	<u>%</u>
Tools and equipment	15
Furniture and fixtures	15
Vehicles	15
Computers and software	25

(5) Significant accounting policies (Continued)

Properties and equipment (continued)

The useful life and depreciation method are reviewed on a regular basis to ensure that the depreciation method is in line with the expected economic benefits of the properties and equipment.

If carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The value of impairment is recorded in the consolidated statement of comprehensive income.

Investments in lands

Investments in lands are stated at cost or net sellable value, whichever is less.

Properties under development

Properties under development include the cost of land, design, construction, and other direct costs.

Properties under development are not depreciated until it becomes ready for use.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of income reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's consolidated statement of other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

(5) Significant accounting policies (Continued)

Investments in associates and joint ventures (continued)

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as share of profit of an associate in the consolidated statement of income.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of income.

Financial assets at fair value through other comprehensive income

These are financial assets limited to equity instruments and the management intends to retain those assets in the long term. Financial assets at fair value through other comprehensive income are recorded at fair value when buy plus acquisition costs and subsequently measured at fair value. Changes in fair value are reported as a separate component in the consolidated statement of comprehensive income and in the consolidated 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 consolidated statement of comprehensive income and in the statement of changes in equity and the valuation reserve balance for sold assets will be transferred directly to retained earnings not through the consolidated statement of comprehensive income.

These assets are not subject to impairment testing. Dividends are recognized in the consolidated statement of comprehensive income.

(5) Significant accounting policies (Continued)

Real Estate Inventories

Property held for sale is classified as part of the Group's business and not for renting as real estate property and is measured at cost or net of cost to sell whichever is less.

Costs include:

- Cost of lands.
- Construction costs paid to contractors.
- Borrowing, design, planning and site processing costs as well as professional fees for legal services, property transfer taxes and other direct and indirect construction costs.
- Commissions paid to sales agents are recognized as an expense when paid.
- Net realizable value represents the estimated selling price in the ordinary course of business of the Group based on market prices of the date of the consolidated financial statements discounted for the time value of money less costs to complete construction and estimated selling costs.

The cost of real estate inventory recorded in the consolidated statement of comprehensive income is determined based on the costs incurred on the property as well as the distribution of undisclosed costs according to the units sold.

Financial assets at fair value through profit and loss

Financial assets which are purchased with the aim of resale in the near future in order to generate profit from the short-term market prices fluctuation or the trading profit margins.

Financial instruments at fair value through profit or loss are initially measured at fair value, transaction costs are recorded in the consolidated statement of income at the date of transaction. Subsequently, these assets are revalued at fair value. Gains or losses arising on subsequent measurement of these financial assets including the change in fair value arising from non-monetary assets in foreign currencies are recognized in the consolidated statement of comprehensive income. When these assets or portion of these assets are sold, the gain or loss arising is recorded in the consolidated statement of comprehensive income.

Dividend and interest income are recorded in the consolidated statement of comprehensive income.

(5) Significant accounting policies (Continued)

Accounts receivable

Accounts receivable are stated at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of any amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances, and short-term deposits with an original maturity of three months or less.

Accounts payable

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

Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be reliably measured.

Revenue and expense recognition

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of goods have passed to the buyer, usually when goods are shipped and invoices are issued.

Interest income revenue is recognized as interest accrues using the effective interest rate method.

Other revenues are recognized on an accrual basis.

Dividends are recognized when the shareholder's right to receive payment is established.

Expenses are recognized on an accrual basis.

Income tax

Income tax provision is calculated in accordance with the income tax law no. (34) of the year 2014, and in accordance with IAS 12, which requires the recording of deferred tax resulting from the difference between the carrying value and the taxable value of the assets and liabilities.

(5) Significant accounting policies (Continued)

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment of financial assets

The Company assesses at each financial position date whether there is any objective evidence that a financial asset or a group of financial assets are impaired. A financial asset or a group of financial assets are considered impaired when there is objective evidence of impairment as a result of one or more events (loss event) that occur after the asset's initial measurement, that will have a direct and reasonably estimated impact on its future cash flows. Permanent impairment indicators could comprise of indications that the borrower or a group of borrowers are facing significant financial difficulties, or neglect, or default in making interest or principal payments, and are likely to be subject to bankruptcy or financial restructuring. Furthermore, permanent impairment indicators exist when observable data indicates the existence of a measurable decrease in estimated cash flows such as changes in the Group's economic conditions due to negligence.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the consolidated statement of financial position date, based on the rates declared by the Central Bank of Jordan.

Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on transaction of non-monetary items measured at fair value is recognized in the statement of comprehensive income.

Transaction differences for items of non-monetary financial assets and liabilities denominated in foreign currencies (like shares) are recognized as part of the change in fair value. .

(5) Significant accounting policies (Continued)

Fair Value

The Group values financial instruments, such as derivatives and non-financial assets, at fair value at the date of the financial statements. In addition, the fair value of financial instruments is disclosed in (Note 24).

The fair value represents the price that will be obtained when selling the assets or the amount that will be paid to transfer the commitment of the transaction arranged between the participants in the market on measurement date.

Fair value is measured on the assumption that asset sales or liability settlement is done through major assets and liabilities markets. In the absence of the primary market, the most suitable market will be used to trade the assets and liabilities.

The Group measures the fair value for the assets and liabilities using the market participant's assumptions for valuing assets and liabilities assuming that participants act according to their economic interests.

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company uses the following valuation techniques in setting the fair value of the financial instruments:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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 the fair value note, the Group classifies the assets and liabilities according to its nature and the risks of the assets and liabilities, and the value of the fair value.

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(6) Properties and equipment

2016-	Tools and equipment	Furniture and fixtures	Vehicles	Computers and software	Total
Cost :	JD	JD	JD	JD	JD
Balance at 1 January 2016	20,000	96,474	40,446	6,536	163,456
Additions	-	532	10,800	-	11,332
Disposals	-	(9,191)	-	-	(9,191)
Balance as at 31 December 2016	20,000	87,815	51,246	6,536	165,597
Accumulated Depreciation:					
Balance at 1 January 2016	20,000	86,315	30,148	6,536	142,999
Depreciation	-	1,696	1,896	-	3,592
Disposals	-	(1,653)	-	-	(1,653)
Balance as at 31 December 2016	20,000	86,358	32,044	6,536	144,938
Net book value					
At 31 December 2016	-	1,457	19,202	6,536	20,659

The estimated value of fully depreciated properties, plant and equipment is JD 111,437 as at 31 December 2016 (2015: JD 51,787).

(6) Properties and equipment (continued)

<u>2015-</u>	Tools and equipment	Furniture and fixtures	Vehicles	Computers and software	Total
Cost :	JD	JD	JD	JD	JD
Balance at 1 January 2015	20,000	96,474	43,607	6,536	166,617
Additions	-	-	10,839	-	10,839
Disposals	-	-	(14,000)	-	(14,000)
Balance at 31 December 2015	20,000	96,474	40,446	6,536	163,456
Accumulated Depreciation:					
Balance at 1 January 2015	17,250	76,424	36,782	6,385	136,841
Depreciation	2,750	9,891	1,766	151	14,558
Disposals	-	-	(8,400)	-	(8,400)
Balance at 31 December 2015	20,000	86,315	30,148	6,536	142,999
Net book value					
At 31 December 2015	-	10,159	10,298	-	20,457

(7) Investment in lands

This item represents lands owned by the Group's subsidiaries (Darat Al Reef Jordan Real Estate Company, Al Tanfezyoun Real Estate Development Company, Al Marsa Al Amen for Real Estate Development and al Hadas for Development and Investments Company) for the purpose of Development and sale of those lands.

Management believes that the book value of these investments does not exceed their net realizable value.

(8) Properties under development

Movement on properties under development is as follows:

	Balance at 1 January 2016	Additions	Transfer to cost sales	Balance at 31 December 2016
	JD	JD	JD	JD
Amman Reef Project	2,579,672	82,165	(1,023,449)	1,638,388
Residential Building Project	-	274,641	-	274,641
	<u>2,579,672</u>	<u>356,806</u>	<u>(1,023,449)</u>	<u>1,913,029</u>

(9) Investments in associates

Movement on properties under development were as follows:

	Country of incorporation	Percentage of ownership	Nature of activity	2016 JD	2015 JD
Al Rokn Al Italy Investments Company	Jordan			-	-
Jordan Cyprus for Logistic Services	Jordan	40%	Logistics	114,583	24,330
Ajiad Investments Company	Jordan	32.87%	Commercial	1,707,766	1,693,354
				<u>1,822,349</u>	<u>1,717,684</u>

Movements on investments in associates were as follows:

	2016 JD	2015 JD
Balance at 1 January	1,717,684	1,785,915
Group share of profit of associates	194,665	156,769
Dividends form associates	(90,000)	(225,000)
Balance at 31 December	<u>1,822,349</u>	<u>1,717,684</u>

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(9) Investments in associates (Continued)

The following table summarizes the financial information of the Group's investment in associates:

	Jordan Cyprus for Logistic Services		Ajlad Investments Company		Al-Rokn Al-Italy Investments Company*		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	JD	JD	JD	JD	JD	JD	JD	JD
Current assets	1,159,661	795,298	5,404,298	4,885,266	1,208	1,208	6,565,165	5,681,770
Non – current assets	141,665	118,509	121	121	865,543	865,543	1,007,329	984,173
Current liabilities	(738,452)	(660,544)	(1,269,854)	(753,746)	(1,638,041)	(1,638,041)	(3,646,347)	(3,052,331)
Non – current liabilities	(78,151)	(31,261)	-	-	-	-	(78,151)	(31,261)
Net equity	484,723	222,002	4,134,565	4,131,641	(771,292)	(771,292)	3,847,996	3,582,351
Ownership percentage	40%	40%	32,87%	32,87%	40%	40%		
Group's share	114,583	24,330	1,359,033	1,398,038	-	-	1,473,616	1,422,368
Add: embedded goodwill	-	-	348,743	295,316	-	-	348,743	295,316
Book value of investment	114,583	24,330	1,707,766	1,693,354	-	-	1,822,359	1,717,684
Revenues	3,555,502	3,237,249	967,819	1,339,529	-	-	4,523,421	4,576,778
Operating expenses	(2,960,544)	(2,680,921)	-	-	-	-	(2,960,544)	(2,680,921)
Administrative expenses	(364,694)	(309,919)	(650,321)	(936,679)	-	-	(1,015,015)	(1,246,598)
Profit for the year	230,264	246,409	317,598	402,850	-	-	547,862	649,259
Group's share of associates profit	90,253	24,330	104,412	132,439	-	-	194,665	156,769

* This Company is under liquidation.

(10) Financial assets at fair value through other comprehensive income

	2016	2015
	JD	JD
Amwaj Commercial Company	-	3,000,000

(11) Real-estate inventory

This item represents a residential building project in Dahiyat Al Nakeel area in partnership with Al Samer Holding Projects Co. with a percentage of 50% thorough the Group's subsidiary (Darat AL Reef Jordan Real Estate Company). The project was completed during 2014.

Movement on this account were as follows:

	<u>2016</u>	<u>2015</u>
	JD	JD
Balance at 1 January	185,612	482,361
Additions	15,872	12,718
Transfer to cost of sales	<u>(201,484)</u>	<u>(309,467)</u>
Balance at 31 December	<u>-</u>	<u>185,612</u>

(12) Financial assets at fair value thorough profit or loss

	<u>2016</u>	<u>2015</u>
	JD	JD
Quoted shares		
Local	1,490,356	385,296
Foreign	<u>27,429</u>	<u>78,934</u>
	<u>1,517,785</u>	<u>464,230</u>

(13) Accounts receivable

	<u>2016</u>	<u>2015</u>
	JD	JD
Trade receivables	1,255	47,443
Less: write offs	<u>-</u>	<u>(44,938)</u>
	<u>1,255</u>	<u>2,505</u>

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(13) Accounts receivable (continued)

As at 31 December, the aging analysis of trade receivables is as follows:

	Neither past due nor impaired				Total
	1-30 days	31-180 days	181-365 days	More than one year	
	JD	JD	JD	JD	
2016	-	1,255	-	-	1,255
2015	-	2,505	-	-	2,505

The management of the Group expect unimpaired receivables, on the basis of past experience, to be fully recoverable.

(14) Other current assets

	2016	2015
	JD	JD
Refundable deposits	1,260	2,286
Prepaid expenses	3,992	16,459
Employee receivables	10,961	6,602
Income tax deposits	15,323	13,131
Other	22,398	19,382
	<u>53,934</u>	<u>57,860</u>

(15) Cash and bank balances

	2016	2015
	JD	JD
Short term deposits*	1,562,263	1,185,071
Current accounts	170,676	94,099
Cash on hand	426	1,310
	<u>1,733,365</u>	<u>1,280,480</u>

* This item represents short-term deposits in Jordanian Dinars bearing an annual interest rate between 2.5% and 4% (2015: between 3% and 5.5%).

(16) Equity attributable to equity holders

Paid in capital –

The authorized and paid in capital as of 31 December 2016 is JD 15,000,000 divided into 15,000,000 shares at a par value of JD 1 per share.

Statutory reserve –

As required by the Jordanian Companies Law, 10% of the profit before tax is to be transferred to statutory reserve. This reserve is not available for distribution to shareholders.

(17) Account payable and other current liabilities

	<u>2016</u>	<u>2015</u>
	JD	JD
Trade payables	10,072	10,886
Social security deposits	2,605	2,519
Other	2,026	4,517
	<u>14,703</u>	<u>17,922</u>

(18) Gains on financial assets at fair value through profit or loss

	<u>2016</u>	<u>2015</u>
	JD	JD
Change in fair value	129,313	28,855
Stock dividends	29,404	26,411
	<u>158,717</u>	<u>55,266</u>

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(19) Administrative expense

	<u>2016</u>	<u>2015</u>
	JD	JD
Salaries and wages	129,403	143,122
Group's contribution in social security	18,851	17,943
Rent	24,428	24,428
Professional fees	25,038	28,567
Vehicles expenses	4,579	4,291
Water and electricity	7,627	7,933
General assembly meeting expenses	3,898	3,568
Governmental expenses	2,105	23,090
Mail, telephone and internet	1,608	2,913
Maintenance expenses	1,376	835
Listing fees	5,000	5,000
Subscriptions	10,534	10,584
Insurance	11,476	8,682
Registration and license fees	972	972
Cleaning and hospitality fees	726	776
Sales commissions	13,050	487
Other	26,533	5,784
	<u>287,204</u>	<u>288,975</u>

(20) Earnings Per share

	<u>2016</u>	<u>2015</u>
	JD	JD
Profit for the year (JD)	111,967	5,465
Weighted average number of shares during the year (share)	<u>15,000,000</u>	<u>15,000,000</u>
	<u>JD / Fils</u>	<u>JD / Fils</u>
Basic and diluted earnings per share of current year's profit	<u>0/0075</u>	<u>0/0004</u>

(21) Restricted bank balances

	<u>2016</u>	<u>2015</u>
	JD	JD
Restricted balances*	71,693	23,724
Cash deposits**	<u>315,188</u>	<u>304,025</u>
	<u>386,881</u>	<u>327,749</u>

* This item represents amounts restricted as cash deposits against letters of credit for Jordan Cyprus for Logistic Services Company (associate).

** This item represents amounts restricted as cash deposits against bank overdraft facilities for Jordan Cyprus for Logistic Services Company (associate).

(22) Income tax

Income tax provision was not calculated for the years ended 31 December 2016 and 2015, in accordance with the Income Tax Law No. (34) for the year 2014 due to the excess of expenses over taxable income.

Darat Jordan Holdings Company:

The Company submitted its annual income tax returns for the year 2015 and the Income and Sale Tax Department has not reviewed these tax returns up to the date of the consolidated financial statements. The Company reached a final settlement with the Income and Sales Tax Department up to the year 2014.

Jordan European Real Estate Management Company:

The Company submitted its annual income tax returns for the year 2015 and the income and was accepted and included in the tax sampling system, the Income and Sales Tax Department has not reviewed these returns the year 2014 up to the date of the consolidated financial statements. The Company reached a final settlement with the Income and Sales Tax Department up to the year 2013.

(22) Income tax (Continued)

Executives for real estate development:

The Company submitted its annual income tax returns for the year 2015 and was accepted within tax sampling system, Income and Sales Tax Department has not reviewed these returns the year 2014 up to the date of the consolidated financial statements. The Company reached a final settlement with the Income and Sales Tax Department up to the year 2013.

Al Marsa Alamen for Real Estate Development:

The Company submitted its annual income tax returns for the year 2015 and the income and was accepted within the tax sampling system, the Income and Sales Tax Department has not reviewed these returns the year 2014 up to the date of the consolidated financial statements. The Company reached a final settlement with the Income and Sales Tax Department up to the year 2013.

Al Mashkah Company:

The Company submitted its annual income tax returns for the years 2012, 2013, 2014 and 2015. The tax return for 2015 was accepted within the tax sampling system, the Income and Sales Tax Department has not reviewed these returns the years 2012, 2013 and 2014 up to the date of the consolidated financial statements. The Company reached a final settlement with the Income and Sales Tax Department up to the year 2011.

Al Hadas for Development and Investments Company:

The Company submitted its annual income tax returns for the year 2015 and the income and was accepted within the tax sampling system, the Income and Sales Tax Department has not reviewed these returns the year 2014 up to the date of the consolidated financial statements. The Company reached a final settlement with the Income and Sales Tax Department up to the year 2013.

Darat Al Reef Jordan Real Estate Company:

The Company submitted its annual income tax returns for the years 2014 and 2015 and the income and was accepted within the tax sampling system, the Income and Sales Tax Department has not reviewed these returns the year 2014 up to the date of the consolidated financial statements. The Company reached a final settlement with the Income and Sales Tax Department up to the year 2013.

(23) Related party transactions

Related parties represent associated Companies, major shareholders, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group management.

Transactions with related parties are as follows:

Consolidated statement of comprehensive income:

Compensation of key management personnel :

	<u>2016</u> JD	<u>2015</u> JD
Salaries and other benefits	<u>112,387</u>	<u>130,026</u>

Consolidated statement of financial position:

	<u>2016</u> JD	<u>2015</u> JD
Due from related parties		
Due from Al Salam Security Company (subsidiary of an associate)	3,217	1,583
Due from Al Rokn Al Italy Investments Company (associate)	2,976	2,976
Due from Jordan Cyprus for Logistic Services Company (associate)	58,524	4,874
	<u>64,717</u>	<u>9,433</u>

The Group provided cash deposits with an amount of JD 315,188 against bank overdraft facilities for Jordan Cyprus for Logistic Services Company (associate) obtained from Audi Bank (2015: JD 304,025) (Note 21).

(24) Fair value of financial instruments

Financial instruments include financial assets and financial liabilities.

Financial assets consist of cash on hand and at banks, trade receivables, due from related parties, financial assets at fair value through other comprehensive income, financial assets at fair value through profits or loss, cheques under collection and some other current assets. Financial liabilities consist of accounts payable and some other current liabilities.

Book values of financial instruments do not materially vary from their fair value.

The Group uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

- 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.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Level 1	Level 2	Total
	JD	JD	JD
2016 -			
Financial assets			
Financial assets of fair value through profit or loss	1,517,785	-	1,517,785
2015 -			
Financial assets			
Financial assets at fair value through other comprehensive income	-	3,000,000	3,000,000
Financial assets of fair value through profit or loss	464,230	-	464,230

(25) Segment information

Business segments information

For management purposes the Group's activities are distributed into two main sectors:

Land development – represented by purchases of lands for the purpose of development and sale.

Financial investments - represented by investments in stocks and investments in associates.

These sectors are the basis upon which the Group builds its main segment information reports.

	Lands Development	Financial investments	Other	Total
	JD	JD	JD	JD
2016 -				
Segment revenues	1,200,451	158,717	74,808	1,433,976
Group's share of profit of associates	-	104,412	90,253	194,665
Cost of sales	(1,224,933)	-	-	(1,224,933)
Depreciation	(2,794)	(798)	-	(3,592)
Other expenses	(201,360)	(73,734)	(12,110)	(287,204)
(Loss) profit for the year	(228,636)	188,597	152,951	112,912
Assets and liabilities				
Segment assets	5,377,098	1,518,784	2,526,993	9,422,875
Investments in associates	-	1,707,767	114,582	1,822,349
Segment liabilities	(7,668)	-	(7,035)	(14,703)
Net assets	5,369,430	3,226,551	2,634,540	11,230,521
2015 -				
Segment revenues	387,432	55,266	63,936	506,634
Group's share of profit of associates	-	156,769	-	156,769
Cost of sales	(309,467)	-	-	(309,467)
Depreciation	(13,654)	(904)	-	(14,558)
Other expenses	(213,613)	(94,148)	(26,152)	(333,913)
(Loss) profit for the year	(149,302)	116,983	37,784	5,465
Assets and liabilities				
Segment assets	5,981,990	3,465,230	2,186,830	11,634,050
Investments in associates	-	1,693,354	24,330	1,717,684
Segment liabilities	(161,473)	-	(7,716)	(169,189)
Net asset	5,820,517	5,158,584	2,203,444	13,182,545

(26) Risk management

Interest rate risk

Credit risk is the risk that results from the changes in market value or future cash flows of financial instruments as a result of changes in interest rate.

The Group is exposed to interest rate risk on its interest bearing assets and liabilities such as bank deposits.

The sensitivity of the consolidated statement of comprehensive income is the effect of the assumed changes in interest rates on the Group's loss for the year, based on the floating interest rate on financial assets and financial liabilities held at 31 December:

The following table demonstrates the sensitivity of the consolidated statement of comprehensive income to reasonably possible changes in interest rates as of 31 December, with all other variables held constant.

2016-	<i>Increase in interest rate</i>	<i>Effect on profit for the year</i>
	<i>(Basis Points)</i>	<i>JD</i>
Currency		
JD	100	15,623

	<i>Decrease in interest rate</i>	<i>Effect on profit for the year</i>
	<i>(Basis Points)</i>	<i>JD</i>
Currency		
JD	(100)	(15,623)

2015-	<i>Increase in interest rate</i>	<i>Effect on profit for the year</i>
	<i>(Basis Points)</i>	<i>JD</i>
Currency		
JD	100	11,851

	<i>Decrease in interest rate</i>	<i>Effect on profit for the year</i>
	<i>(Basis Points)</i>	<i>JD</i>
Currency		
JD	(100)	(11,851)

(26) Risk management (Continued)

Equity price risk

The following table demonstrate the sensitivity of the Group's consolidated statement of income (for financial assets at fair value through profit or loss) and cumulative changes in fair value (for financial assets at fair value through other comprehensive income) to reasonably possible changes in equity prices, with all other variables held constant:

	Change in Index	Effect on profit for the year
	%	JD
Amman stock exchange	10	150,079

	Change in Index	Effect on profit for the year
	%	JD
Amman stock exchange	10	46,423

The effect of decrease in equity prices with the same percentages is expected to be equal and opposite to the effect of the increase 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 Group believes that it is not significantly exposed to credit risk since the Group seeks to limit credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables.

Liquidity risk

Liquidity risk is represented by the possibility that the group may not be able to meet its liabilities when due.

The Group manages its liquidity risk by insuring the availability of bank facilities.

(26) Risk management (Continued)

Liquidity risk (continued)

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

	Less than 3 months	3 to 12 months	Total
31 December 2016	JD	JD	JD
Account payable	4,631	5,441	10,072

	Less than 3 months	3 to 12 months	Total
31 December 2015	JD	JD	JD
Account payable	4,732	6,154	10,886

Currency risk

Most of the Group's transactions are in Jordanian Dinars and U.S. Dollars. The Jordanian Dinar is fixed against the U.S Dollar (USD 1.41 for each one Jordanian Dinar). Accordingly, the currency risk exposure is not material on the consolidation financial statements.

(27) Contingent liabilities

	2016	2015
	JD	JD
Letters of guarantees*	176,927	222,238

*This amount includes a letter of guarantee with an amount of JD 60,000 for Jordan Cyprus for Logistic Services Company (associate) with a cash margin of JD 71,693 as at 31 December 2016 (2015: 23,724) (note 21).

(28) Capital management

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

The Group 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 during the current or previous year.

Capital comprises paid in capital, statutory reserve and accumulated losses amounting to JD 11,230,521 as at 31 December 2016 as compared to JD 13,183,490 as at 31 December 2015.

(29) Standards issued but not yet effective

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

IFRS 9 Financial Instruments

During July 2014, the IASB issued IFRS 9 "Financial Instruments" with all the three phases. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement". The Group has implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The new version of IFRS 9 will be implemented at the mandatory date on 1 January 2018, which will have an impact on the recognition and measurement of financial assets.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2018, and early adoption is permitted.

(29) Standards issued but not yet effective (Continued)

IFRS 16 Leases

During January 2016, the IASB issued IFRS 16 "Leases" which sets out the principles for the recognition, measurement, presentation and disclosure of leases.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 introduced a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted.

IAS 7 Disclosure Initiative – Amendments to IAS 7

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The amendments will be effective for annual periods beginning on or after 1 January 2017, with early application permitted. The application of amendments will result in adding limited amount of disclosure information.

IFRS 2 Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

Entities may apply the amendments prospectively and are effective for annual periods beginning on or after 1 January 2018, with early application permitted.

(29) Standards issued but not yet effective (Continued)

Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

In September 2016, the IASB issued amendments to IFRS 4 to address issues arising from the different effective dates of IFRS 9 and the upcoming new insurance contracts standard (IFRS 17). The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, a temporary exemption from implementing IFRS 9 to annual periods beginning before 1 January 2021 at latest and an overlay approach that allows an entity applying IFRS 9 to reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if an entity had applied IAS 39 to these designated financial assets.

Transfers of Investment Property (Amendments to IAS 40)

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively and effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. Entities may apply the amendments on a fully retrospective or prospective basis. The new interpretation will be effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed.