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INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC LIMITED CO.
(HOLDING COMPANY) - ALENTAJ
EL-MAFRIC- THE HASHEMITE KINGDOM OF JORDAN

DECEMBER 31, 2016

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RN
RAMADAN NASER & PARTNERS CO.

JORDANIAN CERTIFIED AUDITORS

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC
LIMITED CO. (HOLDING COMPANY) – ALENTAJ
EL-MAFRIC- THE HASHEMITE KINGDOM OF JORDAN

Report on the Audit of the consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Industrial Commercial & Agricultural Public Limited CO. (Holding Company) – Alentaj ("the Company"), which comprise the consolidated statement of financial position as at December 31, 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Other Information

Management is responsible for the other information. The other information comprises the *[information included in the annual report, but does not include the financial statements and our auditors' report thereon.]*

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is

necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

RN
RAMADAN NASER & PARTNERS CO.
JORDANIAN CERTIFIED AUDITORS

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

Amman - Jordan
March 4, 2017

R. NASER & PARTNERS Co
Certified Public Accountants and Auditors
Signature of Ramadan Naser
License No.125



INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC LIMITED CO.
(HOLDING COMPANY) - ALENTAJ Appendix (A)
EL-MAFRIC -- THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF CONSOLIDATED FINANCIAL POSITION AS OF DECEMBER 31, 2016

		<u>Assets</u>		
Current Assets		<u>Notes</u>	<u>2016</u>	<u>2015</u>
			<u>J . D</u>	<u>J . D</u>
Cash on hand & at banks	4		3,968,679	3,387,649
Accounts receivable	5		1,917,945	2,965,559
Inventory	6		6,242,613	5,435,326
Other debit balances	7		1,351,438	1,217,866
Total Current Assets			<u>13,480,675</u>	<u>13,006,400</u>
Non current assets				
Property & equipments , net	8		13,263,492	12,905,037
Financial investment			318	318
Total non current assets			<u>13,263,810</u>	<u>12,905,355</u>
Total Assets			<u>26,744,485</u>	<u>25,911,755</u>
CURRENT LIABILITIES :-				
Accounts payables	9		2,560,963	582,092
Short term notes payable	10		4,251,217	4,036,625
Other current liabilities	11		88,863	258,695
Due to banks	12		000	3,423
Total Current Liabilities			<u>6,901,043</u>	<u>4,880,835</u>
Long term notes payable		10	<u>1,368,252</u>	<u>2,587,179</u>
Equity				
Paid-in capital	13		14,956,389	14,956,389
Statutory reserve			3,448,483	3,439,828
Retained earnings			70,318	47,524
Total Equity			<u>18,475,190</u>	<u>18,443,741</u>
Total Liabilities & Equity			<u>26,744,485</u>	<u>25,911,755</u>

Accompanying Notes from 1 to 24 are Integral Part of These consolidation financial Statements And Must Be Read Herewith.

INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC LIMITED CO.
(HOLDING COMPANY) - ALENTAJ **Appendix (B)**
EL-MAFRIC- THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF COMPRENSIVE INCOME CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		<u>J . D</u>	<u>J . D</u>
A- COMPRENSIVE INCOME			
Sales		13,940,491	18,139,851
Cost of sales	14	(12,873,893)	(16,929,854)
Gross Profit		1,066,598	1,209,997
Selling and distribution expenses	16	(494,870)	(468,579)
General and administrative expenses	17	(584,177)	(686,793)
Finance cost		(11,651)	(56,864)
Other income		67,667	87,482
Income tax	18	(12,118)	(20,000)
Net profit- Appendix(c)		31,449	65,243
*Statutory reserve- Appendix (c)		(8,655)	(19,770)
Retained earnings - Appendix (c)		22,794	45,473
Basic and diluted earnings per share		0,002	0,003
B-OTHER COMPRENSIVE INCOME			
Change in fair value of investment		000	000

*The above statutory reserve and Board of Directors' remuneration is related to Consolidated Sulpho -Chemicals & Detergents Industries Company Ltd. Which is a subsidiary of Industrial Commercial & Agricultural Public Limited CO?

The Accompanying Notes from 1 to 24 are Integral Part of These consolidation financial Statements And Must Be Read Herewith.

INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC LIMITED CO.
(HOLDING COMPANY)- ALENTAJ Appendix (C)
EL-MAFRIC- THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE YEAR ENDED 31
DECEMBER 2016

<u>2016</u>	<u>Paid in Capital</u>	<u>Statutory Reserve</u>	<u>Retained Earnings</u>	<u>Proposal Dividends</u>	<u>Change In fair value</u>	<u>Total</u>
	<u>J . D</u>	<u>J . D</u>	<u>J . D</u>	<u>J . D</u>	<u>J . D</u>	<u>J . D</u>
Balance at January 1,2015	14,956,389	3,439,828	47,524	000	000	18,443,741
Profit for the year	000	8,655	22,794	000		31,449
<i>Total</i>	14,956,389	3,448,483	70,318	000	000	18,475,190
<u>2015</u>	<u>J . D</u>	<u>J . D</u>	<u>J . D</u>	<u>J . D</u>	<u>J . D</u>	<u>J . D</u>
Balance at January 1,2015	14,956,389	3,420,058	2,051	747,820	(3,409)	19,122,909
Profit for the year	000	19,770	45,473	000	000	65,243
Proposal dividends	000	000	000	(747,820)		(747,820)
Change in fair value of investment	000	000			3,409	3,409
<i>Total</i>	14,956,389	3,439,828	47,524	000	000	18,443,741

The Accompanying Notes from 1 to 24 are Integral Part of These consolidation financial Statements
And Must Be Read Herewith.

INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC LIMITED CO.
(HOLDING COMPANY) ALENTAJ Appendix (D)
EL-MAFRIC- THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF CONSOLIDATED CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		<u>J . D</u>	<u>J . D</u>
<u>Operating Activities</u>			
Net profit before income tax		31,449	65,243
Add : depreciation		231,135	340,817
		<hr/>	<hr/>
Cash flows before working capital adjustments		262,584	406,060
Accounts receivable		1,047,614	(685,052)
Inventories		(807,287)	320,560
Other current assets		(133,572)	(109,852)
Accounts payables		1,978,871	(563,006)
Other current Liabilities		(169,832)	(24,694)
		<hr/>	<hr/>
Net cash flows used in operating activities		2,178,378	(655,984)
		<hr/>	<hr/>
<u>Investing Activities</u>			
Increase (decrease) in properties, net		(589,530)	(748,249)
Change in financial investment		000	814
Change in fair value		000	3,409
		<hr/>	<hr/>
Net cash flows used in investing activities		(589,530)	(744,026)
		<hr/>	<hr/>
<u>Financing Activities</u>			
Increase (decrease) in bank		(3,423)	2,036
Short-term notes payable		1,582,784	(869,353)
Long-term notes payable		(2,587,179)	000
Profit distribution		000	(747,820)
		<hr/>	<hr/>
Net cash flows from financing activities		(1,007,818)	(1,615,137)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		581,030	(3,015,147)
Cash & cash equivalents at the beginning of the year		3,387,649	6,402,796
		<hr/>	<hr/>
Cash and cash equivalents at 31 December		3,968,679	3,387,649
		<hr/> <hr/>	<hr/> <hr/>

The Accompanying Notes from 1 to 24 are Integral Part of These consolidation financial Statements
And Must Be Read Herewith.

**INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC LIMITED CO.
(HOLDING COMPANY)-ALENTAJ
EL-MAFRIC- THE HASHEMITE KINGDOM OF JORDAN**

**NOTES OF THE FINANCIAL STATEMENTS
31 DECEMBER 2016**

1-GENERAL

Industrial Commercial & Agricultural Public Limited CO. (the "Company") was established and registered as a public shareholding company in 1961. The Company's authorized capital is JD 10,000,000 at a par value of JD 1 each. The paid in capital as of 31 December 2008 is JD 5,000,000 divided into 5,000,000 shares at a par value of JD 1 each.

On 15 July 2007, the approval of Minister of Trade and Industry Ministry was issued according to the resolution of General Assembly to restructure company's capital at its an extraordinary meeting held on 5 June 2007 as follows:

- 1- Decrease registered company's capital from JD 18,000,000 to JD 14,396,942 by write off of unsubscribed shares of 3,603,058 shares.
- 2- Decrease subscribed company's capital to be JD 5,000,000 and increase authorized company's capital to JD10, 000,000. All official procedural was completed on 21 July 2008.
- 3- An extraordinary meeting was held by General Assembly on 3 September 2009 to resolve that the unpaid in capital of JD 5,000,000 will be settled by strategic shareholder at discount of JD 1,800,000 and then the subscribed and paid in capital became JD10, 000,000.
- 4- According to the resolution issued by Ministry of Trade and Industry on 24 September 2012, the process of merger between Jordan Sulpho-Chemicals Co. Ltd. and Industrial Commercial & Agricultural public Limited CO. was finalized and the company's capital became JD 14,956,389.

The Company's main objectives are establishing all types of factories and workshops including printing houses and other manufacturing activities in addition to main objectives for other merged company.

The consolidated financial statements for the year ended 31 December 2015 were authorized and approved to be issued based on the resolution of the Board of Directors on 4 March 2017.

(1-1) BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income that have been measured at fair value.

The consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards ("IFRS").

The consolidated financial statements are presented in Jordanian Dinars, which represents the functional currency of the Group.

- **Basis of consolidation**

The consolidated financial statements comprise the financial statements of Industrial, Commercial & Agricultural public Limited CO. (the Company) and its subsidiaries (the "Group") as at 31 December 2016 from the date of acquisition and obtaining controlling interest. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the invested and has the ability to affect those returns through its power over the invested.

The consolidated financial statements are prepared for the same fiscal year and using similar accounting policies applied at the parent company.

All inter-company balances and transactions including any profits losses or expenses proceeds resulting from such transactions have been eliminated.

The consolidated financial statements comprise the financial statements of Industrial, Commercial & Agricultural public Limited CO (the Company) and its subsidiaries (the "Group") as at 31 December 2016 and as follows:

	Paid up capital	Percentage of interest
Consolidated Sulpho -Chemicals & Detergents Industries Company Ltd.	3,408,907	100%
Al Entaj For Marketing & Distribution Co.LTD	245,563	100%

- **Changes in accounting policies**

The accounting policies adopted in the preparation of the consolidated financial statements for the year ended 31 December 2016 are consistent with those of the previous financial year.

(1-2) USE OF ESTIMATES

The preparation of the 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 amount 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.

(1-3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- **Property and Equipments**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

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 income statement.

Depreciation (except for land) is computed on a straight-line basis over the estimated useful lives of assets at annual rates ranging from 2% to 20%.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is recorded in the consolidated income statement.

- **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 the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

- **Inventory**

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials and spare parts – purchase cost on weighted average basis.

Finished goods and work in progress – cost of direct materials and labor and a proportion of manufacturing overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

- **Cash and cash equivalents**

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and are subject to an insignificant risk of change in value.

- **Accounts Payables and Accruals**

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

- **Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and the costs to settle the obligation are both probable and able to be reliably measured.

- **Revenue Recognition**

Revenue is recognized when it is probable that future economic benefits will flow to Company and this revenue is reliably measurable.

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of goods.

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

Other revenues are recognized on an accrual basis.

- **Income Tax**

The Company provides for income tax in accordance with the Income Tax Law no. (34) Of 2014 and its subsequent amendments, and in accordance with IAS 12. Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and tax losses and tax credit carry-forwards.

Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. These deferred tax assets were not reflected into these financial statements since they were insignificant.

- **Foreign currencies**

Assets and liabilities denominated in foreign currencies at the year end are translated to Jordanian Dinars by applying the exchange rates prevailing then. Revenues and expenses in foreign currencies are translated to Jordanian Dinars at rates prevailing on the date of transaction. Exchange gains or losses are reflected in the statement of income

3-Segments Information

<u>List</u>	<u>2016</u>				
	<u>Alentaj</u>	<u>Marking</u>	<u>Sulphochemical</u>	<u>Transaction & balances</u>	<u>Total</u>
	<u>J . D</u>	<u>J . D</u>	<u>consolidated</u>	<u>Among segments</u>	<u>J . D</u>
<u>Sales</u>	189,857	000	13,877,440	(126,806)	13,940,491
<u>Business results</u>					
Operating Profit (loss)	9,897	000	1,056,701	000	1,066,598
Finance costs	4,405	000	7,246	000	11,651
Other	000	000	20,773	000	20,773
Provisions					
Other income	000	000	67,667	000	67,667
Profit (loss) for the year	(42,990)	000	65,784	000	22,794
<u>Assets & liabilities</u>					
Segments assets	18,766,099	000	18,548,108	(10,569,722)	26,744,485
Segments liabilities	1,047,833	000	7,221,462	000	8,269,295
<u>Other information</u>					
Capital expenditure	000	000	583,847	000	583,847
Depreciation	2,442	000	228,693	000	231,135

2015

<u>List</u>	<u>Alentaj</u>	<u>Marking</u>	<u>Sulphochemical</u>	<u>Transaction &</u>	<u>Total</u>
	<u>J . D</u>	<u>J . D</u>	<u>consolidated</u>	<u>balances</u>	<u>J . D</u>
			<u>J . D</u>	<u>between sectors</u>	
				<u>J . D</u>	<u>J . D</u>
<u>Sales</u>	273,563	000	18,119,652	(253,364)	18,139,851
<u>Business results</u>					
Operating profit (loss)	(28,299)	000	1,238,296	000	1,209,997
Finance costs	3,426		53,438	000	56,864
Other provisions	000	000	39,770	000	39,770
Other income	000	000	87,482	000	87,482
Profit (loss) for the year	(112,324)	(142)	157,939	000	45,473
<u>Assets & liabilities</u>					
Segments assets	19,510,662	34,209	17,489,117	(11,122,233)	25,911,755
Segments liabilities	1,815,190	000	5,652,824	000	7,468,014
<u>Other information</u>					
Capital expenditure	000	0000	748,249	000	748,249
Depreciation	30,000	000	310,817	000	340,817

4- Cash on hand & at banks

	2016	2015
	<u>J . D</u>	<u>J . D</u>
Balances at Banks	2,137,293	1,701,345
Checks under collection	1,831,386	1,686,304
Total	3,968,679	3,387,649

5- Accounts receivable

	2016	2015
	<u>J . D</u>	<u>J . D</u>
Receivables	2,279,983	5,207,463
Employees receivables	6,617	8,290
Employees saving fund	135,847	808,837
	<hr/>	<hr/>
Total receivables	2,422,447	6,024,590
Provision for doubtful debts	(504,502)	(3,059,031)
	<hr/>	<hr/>
Total	1,917,945	2,965,559
	<hr/>	<hr/>

b) The movements on provision for doubtful accounts were as follows:

	2016	2015
	<u>J . D</u>	<u>J . D</u>
At 1, January	3,059,031	2,863,534
The movements during the year)	(2,554,529)	195,497
	<hr/>	<hr/>
At of 31,December	504,502	3,059,031
	<hr/>	<hr/>

c) The aging analysis of accounts receivable less provision for doubtful debts as of 31 December 2016 is as follows:

Account receivable & undoubtful

	<u>1-30 day</u>	<u>31-90 day</u>	<u>91-120 day</u>	Total
	<u>J . D</u>	<u>J . D</u>	<u>J . D</u>	<u>J . D</u>
2016	389,457	611,356	917,132	1,917,945
2015	1,412,513	1,414,810	138,236	2,965,559

According to management past experience these receivables are expected to be Fully recoverable.

6-Inventory

	2016	2015
	<u>J . D</u>	<u>J . D</u>
Raw materials	5,141,373	4,676,586
Finished goods	1,228,385	865,084
Spare parts & accessories	384,701	405,501
	<hr/>	<hr/>
	6,754,459	5,947,171
Provision for slow moving items	(511,846)	(511,845)
	<hr/>	<hr/>
<i>Total</i>	<u><u>6,242,613</u></u>	<u><u>5,435,326</u></u>

b) The movements on provision for slow moving items were as follows:

	2016	2015
	<u>J . D</u>	<u>J . D</u>
At 1 January	511,845	707,342
Change during the year	000	(195,497)
	<hr/>	<hr/>
At 31 December	<u><u>511,845</u></u>	<u><u>511,845</u></u>

7-Other debit balances

	2016	2015
	<u>J . D</u>	<u>J . D</u>
Refundable Deposits & bank guarantees	111,337	127,565
Prepaid expenses	139,958	144,435
Sales tax deposits, net	768,092	616,092
L.C deposits & its related expenses	301,908	329,774
Claims of work injuries	3,063	000
Marketing & distribution co.	27,080	000
	<hr/>	<hr/>
<i>Total</i>	<u><u>1,351,438</u></u>	<u><u>1,217,866</u></u>

INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC LIMITED CO.
8- Propertyt & equipments , net

2016

2016- Cost-	Land J . . D	Building J . . D	Furniture & Fixtures J . . D	Electric Extension J . . D	Machinery & Equipment J . . D	Vehicles J . . D	Tools & Equipment J . . D	Ironic Hangers J . . D	Equipment of Lab J . . D	Computers J . . D	Office Machines J . . D	Projects Under Completion J . . D	Total J . . D
At 1 Jun. 2016	506,509	7,424,044	380,208	1,431,007	20,918,919	540,759	393,392	1,625,008	35,386	154,782	24,219	103,996	33,538,229
Additions	000	121,768	3,121	11,970	507,290	65,985	2,878	49,833	2,358	152,102	000	000	917,305
disposals	000	000	000	(147,039)	000	(80,750)	000	000	000	000	000	(99,956)	(327,745)
At 31 Dec. 2016	506,509	7,545,812	383,329	1,295,938	21,426,209	525,994	396,270	1,674,841	37,744	306,884	24,219	4,040	34,127,789
Depreciation-	000	2,677,613	315,551	1,162,800	14,468,880	378,738	290,309	1,178,058	26,754	114,166	20,293	000	20,633,162
At 1 Jun. 2016	000	490,147	20,484	000	97,192	29,730	7,198	000	1,104	147,566	2	000	793,423
additions	000	000	000	(138,287)	000	(76,746)	000	(347,255)	000	000	000	000	(562,288)
At 31 Dec. 2016	000	3,167,760	336,035	1,024,513	14,566,072	331,722	297,407	830,803	27,858	261,732	20,295	000	20,864,297
Net book value	506,509	4,378,052	47,294	271,425	6,860,137	194,272	98,763	844,038	9,886	45,152	3,924	4,040	13,263,492
At 31 Dec. 2016													

INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC LIMITED CO

2015

2015- Cont-	Land J . . D	Building J . . D	Furniture & Fixtures J . . D	Electric Extension J . . D	Machinery & Equipment J . . D	Vehicles J . . D	Tools & Equipment J . . D	Ironing Machines J . . D	Equipment of Lab J . . D	Computers J . . D	Office Machines J . . D	Projects Under Completion J . . D	Total J . . D
At 1 Jun. 2015	506,509	7,455,550	376,199	1,427,542	20,328,867	526,405	366,503	1,529,630	35,556	150,624	24,609	61,956	32,789,950
Additions	000	000	4,009	3,465	590,052	14,354	26,889	95,378	000	4,158	000	42,010	780,315
disposals	000	(31,506)	000	000	000	000	000	000	(170)	000	(390)	000	(32,066)
At 31 Dec. 2015	506,509	7,424,044	380,208	1,431,007	20,918,919	540,759	393,392	1,625,008	35,386	154,782	24,219	103,966	33,538,199
Depreciation-	000	2,615,720	312,063	1,159,583	14,305,241	358,722	286,225	1,098,095	25,969	110,434	20,293	000	20,292,345
At 1 Jun. 2015	000	61,893	3,488	3,217	163,639	20,016	4,084	79,963	785	3,732	000	000	340,817
additions	000	000	000	000	000	000	000	000	000	000	000	000	000
At 31 Dec. 2015	000	2,677,613	315,551	1,162,800	14,468,880	378,738	290,309	1,178,058	26,754	114,166	20,293	000	20,633,162
Net book value	506,509	4,746,431	64,657	268,207	6,450,039	162,021	103,083	446,950	8,632	40,616	3,926	103,966	12,905,037
At 31 Dec. 2015													

9-Accounts payable

	2016	2015
	J . D	J . D
Local trade payables	2,535,872	582,092
Export Payables	25,091	000
<i>Total</i>	<u>2,560,963</u>	<u>582,092</u>

10-Notes payable

	2016	2015
	J . D	J . D
Short term note payable	4,251,217	4,036,625
Long term note payable	1,368,252	2,587,179
<i>Total</i>	<u>5,619,469</u>	<u>6,623,804</u>

This item represents notes payable to Jordan Islamic Bank with interest rates ranging between 2% to 1.75% for the year 2016. Accordingly, the Jordan Islamic Bank provided the Company bank facilities ceiling against mortgage of Company's lands in El Mafrik & Wadi Elesh in Zarqa.

11-Other current liabilities

	2016	2015
	J . D	J . D
Dividends unpaid for shareholders	66,049	153,502
Accrued Expenses	2,813	63,825
Accrued employees & sales commission	000	17,151
Income tax provision	16,256	20,000
Others provisions	1,860	274
Employees income tax & social security	1,885	3,943
<i>Total</i>	<u>88,863</u>	<u>258,695</u>

12-Due to banks

	2016		2015	
	J	D	J	D
Jordan Islamic Bank		000		3,423
<i>Total</i>		<u>000</u>		<u>3,423</u>

13-Equity

- Paid in capital

The Group's authorized, subscribed and paid in capital comprise of 10,000,000 shares at par value of JD 1 per share as of 31 December 2009. On 24 September 2012, the approval of Minister of Trade and Industry Ministry was issued to increase the authorized and paid in capital to become 14,956,389 shares at par value of JD1. The increase in paid in capital by an amount of JD 4,956,389 representing the capital of the Jordan Sulpho-Chemicals Co. Ltd., the merged company, which was officially filed and registered with Jordan Securities Commission and Securities Depository Center.

- 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 the Shareholders.

14-Cost of sales

	2016 <u>J . D</u>	2015 <u>J . D</u>
Raw materials used	11,017,588	14,028,668
A- Cost of items used in production	11,017,588	14,028,668
B- Salaries ,wages & benefit	683,743	1,089,848
C-Depreciation	262,775	322,670
D-Other industrial expenses		
Wages for manufacturing soap	000	63,462
Maintenance & repairs	15,953	69,091
Electricity ,water & fuel	739,694	950,704
Transportation & custom duties	11,541	24,860
Vehicles expenses	1,127	4,381
Other industrial expenses	54,641	38,644
Total other industrial expenses	822,956	1,151,142
Cost of production	12,787,062	16,592,328
Cost of sales of raw materials & spare parts	213,637	590,890
Cost of sales of inter-company transactions	(126,806)	(253,364)
Total	12,873,893	16,929,854

15-Operating profit (loss)

	<u>Alentaj</u>	<u>Sulphochemica</u> <u>I</u> <u>consolidated</u>	<u>Marketing</u>	<u>Adjustments</u>	<u>Total</u>	
	<u>J. D</u>	<u>J . D</u>	<u>J . D</u>	<u>J . D</u>	2016 <u>J . D</u>	2015 <u>J . D</u>
sales	189,857	13,877,440	000	(126,806)	13,940,491	18,139,851
Cost of sales	(179,960)	(12,816,244)	(4,495)	126,806	(12,873,893)	(16,929,854)
	<u>9,897</u>	<u>1,061,196</u>	<u>(4,495)</u>	<u>000</u>	<u>1,066,598</u>	<u>1,209,997</u>

16- Selling & distribution expenses

	2016	2015
	J . D	J . D
Salaries ,wages & other related benefits	218,290	162,980
Shipping & transport	86,551	158,515
Advertisement	41,285	40,149
Damaged goods & samples	11,297	21,225
Stamps & trademarks fees	000	17,093
Sales commissions & allowed discount	11,894	17,312
ISO & Alvaretas	1,000	1,000
Maintenance & fuels	92,056	5,261
Export expenses	23,806	37,899
Others	8,691	7,145
<i>Total</i>	<u>494,870</u>	<u>468,579</u>

17- General and administrative expenses

	2016	2015
	J . D	J . D
Salaries ,wages & other related benefits	463,455	523,683
Transportation of board of directors	24,000	24,025
Taxes and government fees	10,009	13,916
Depreciation and subscriptions	30,757	41,147
Maintenance , repair & cleaning	1,468	1,376
Telephone & postage	13,380	17,636
Professional & consulting fees	7,200	19,090
Stationary & publications	5,484	7,696
Electricity, water & fuel	5,956	5,273
Fines & penalties	000	512
Advertising expenses	689	1,620
Hospitalities, donations & bonuses	5,801	2,900
Services of Amman Office	000	1,800
Transportation	6,655	11,896
Car expenses	000	3,527
Theft & fire insurance	3,626	4,862
Other expenses	5,697	5,834
<i>Total</i>	<u>584,177</u>	<u>686,793</u>

18- Income tax provision

This item represents tax provision of JD 12,118 made on net income of the Consolidated Sulpho-chemicals & Detergents Industries Company Ltd., a subsidiary, which is wholly owned by the company.

19- Earnings (Per share for the year

	2016	2015
	J . D	J . D
Profit of the year	22,794	45,473
The weighted average number of share during the year	14,956,389	14,956,389
Earnings Per share for the year	0.002	0.003

20 - Fair Values of Financial Instruments

Financial instruments consist of financial assets and financial liabilities. Financial assets consist of cash and bank balances, trade and other receivables, financial assets at fair value through other comprehensive income, and some other current assets. Financial liabilities consist of trade payables, term loans, and some other current liabilities.

The fair value of financial instruments is not materially different from their carrying value.

21- Contingent Liabilities

At 31 December 2016 the Company had contingent liabilities in respect

- **Industrial Commercial & Agricultural Company.**
Letters of guarantees amounting to JD 425,053 with a deposit of JD 50,005.
Letters of credit amounting to JD 567,200 with a deposit of JD 56,720,230
- **b-United Industries Sulphochemical Company.**
Letters of credit amounting to JD 850,800 with a deposit of JD 85,130
- **Litigation**
The Company's legal advisor believes that there is no outcome of any lawsuit against the Company will be significant or unfavorable.

22- Related party transactions

A- Related parties represent associated companies, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

Pricing policies and terms of the transactions with related parties are approved by the Group's management.

The following provides the total amount of salaries and remunerations paid to top Management during the year:

	<u>2016</u>	<u>2015</u>
	<u>J . D</u>	<u>J . D</u>
Salaries ,bonuses and benefits of top management	303,756	282,814
Total	<u>303,756</u>	<u>282,814</u>

B- There are no purchases of the industrial company for cleaning materials from the United Company for the manufacture of sulphochemicals and detergents during the year 2016. The sales and services of the industrial company for cleaning materials amounted to 23994 dinars for the United Company for the manufacture of chemicals and detergents. Note that the industrial company for cleaning materials owns 5000 shares/dinars reserved for membership of the Board of Directors.

23- Audit Fees

Audit fees for the Company and its subsidiaries were JD 13, 000 for the year 2016.

24-Risk Management

- **Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks, and other financial instruments.

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to trade business customers (local and foreign) by setting credit limits for majority of customers and monitoring outstanding Receivables.

- **Foreign Currency Risk**

The Group's transactions in U.S. Dollar do not give rise to foreign currency risk. Since the Jordanian Dinar is fixed against the U.S. Dollar (USD 1.41 for each one JD).