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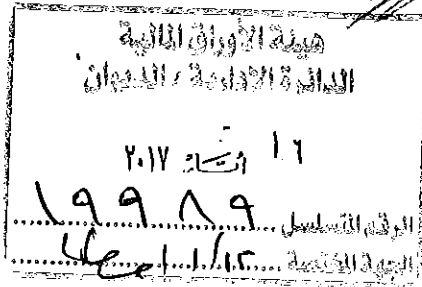


شركة الإتحاد للاستثمارات المالية م.ع.م  
Union Investment Corp. P.L.C

نموذج رقم (5-1)

Form No. (1-5)

To: Jordan Securities Commission Amman Stock Exchange Date: 15/5/2017 Ref: 2/3/3/8860 Subject: Quarterly Report as of 31/3/2017	السادة هيئة الأوراق المالية السادة بورصة عمان التاريخ: 2017/5/15 الرقم: 8860/3/3/2 الموضوع: التقرير ربع السنوي كما هي في 2017/3/31
Attached the Quarterly Report of (Union Investment Corp. P.L.C) in English as of 31/3/2017	مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة (شركة الإتحاد للاستثمارات المالية م.ع.م) باللغة الإنجليزية كما هي بتاريخ 2017/3/31م
Kindly accept our highly appreciation and respect Union Investment Corp. P.L.C Financial Manager's Signature Iyad Yaghmour	وتفضلوا بقبول فائق الاحترام... شركة الإتحاد للاستثمارات المالية م.ع.م توقيع المدير المالي إياد يغمور



شركة الإتحاد للاستثمارات المالية م.ع.م  
Union Investment Corp. P.L.C

**UNION INVESTMENT CORPORATION**

**PUBLIC SHAREHOLDING COMPANY**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (UNAUDITED)**

**31 MARCH 2017**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
TO THE BOARD OF DIRECTORS OF UNION INVESTMENT CORPORATION  
PUBLIC SHAREHOLDING COMPANY  
AMMAN - JORDAN**

**Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of Union Investment Corporation (the "Company") and its subsidiaries (the "Group") as at 31 March 2017, comprising of the interim consolidated statement of financial position as at 31 March 2017 and the related consolidated statement of interim profit or loss, other comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory information. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of review**

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

**Basis of qualified conclusion**

The Company's management did not perform impairment testing on the indefinite intangible assets amounted to JD 3,647,535 as of 31 March 2017 in accordance with the requirements of International Accounting Standard 36 "Impairment of Assets". We were unable to determine the impact of not applying the requirements of International Accounting Standard 36 on the interim condensed consolidated financial statements of the Group as of 31 March 2017.

### **Qualified conclusion**

Based on our review, except for the effect of the matters described in the basis of qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

### **Emphasis of matter**

Without additional qualification and as disclosed in note (7) to the interim condensed consolidated financial statements, investment properties include land plots with an amount of JD 413,517 that are not registered in the name of the Group as of 31 March 2017.

### **Other matters**

Our review conclusion on the interim condensed consolidated financial statements for the three-month period ended 31 March 2016 was qualified in relation to the facts that the Group did not use the equity method to account for its investment in Al-Rafidain for Tobacco and Cigarettes Distribution Company as of 31 March 2016 in accordance with the requirement of International Accounting Standard 28 "Investments in Associates and Joint Ventures" as it was accounted for as investment in associate using the cost method, and the Group did not consolidate the financial statements of Union for Tobacco and Cigarettes (Iraq) which is fully owned by Union for Tobacco and Cigarettes Jordan (a subsidiary) as of 31 March 2016 in accordance with the requirement of International Financial Reporting Standard 10 "Consolidated Financial Statements".

Amman – Jordan  
27 April 2017



**UNION INVESTMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2017**

	Notes	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	24,132,560	25,263,091
Projects under construction		6,905,933	6,903,488
Investment properties	7	64,351,237	64,449,037
Advance payment on machines purchases		375,951	375,951
Intangible assets		3,647,535	3,647,535
Financial assets at fair value through other comprehensive income		3,313,934	3,276,396
Other current assets		458,000	458,000
		<u>103,185,150</u>	<u>104,373,498</u>
<b>Current assets</b>			
Inventories		16,444,085	16,621,902
Trade receivables		20,065,820	19,932,998
Other current assets		6,060,242	10,466,231
Financial asset at fair value through profit or loss		35,723	34,226
Cash and bank balances		194,858	552,321
		<u>42,800,728</u>	<u>47,607,678</u>
<b>Total Assets</b>		<u>145,985,878</u>	<u>151,981,176</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity-</b>			
Paid in capital	1	50,000,000	50,000,000
Statutory reserve		12,500,000	12,500,000
Voluntary reserve		736,749	736,749
Treasury shares		(3,137,267)	(3,137,267)
Fair value reserve		(447,465)	(485,003)
Other reserves		3,557	3,557
Accumulated losses		(26,543,515)	(24,980,601)
		<u>33,112,059</u>	<u>34,637,435</u>
Non-controlling interests		38,443,143	38,689,596
<b>Net Equity</b>		<u>71,555,202</u>	<u>73,327,031</u>
<b>Liabilities-</b>			
<b>Non-current liabilities</b>			
Long term loans	10	20,154,261	21,264,210
<b>Current liabilities</b>			
Current portion of long term loans	10	9,617,781	9,385,253
Bank overdrafts		2,249,225	2,979,365
Trade payables and other current liabilities		41,923,642	44,358,277
Income tax provision	4	485,767	667,040
		<u>54,276,415</u>	<u>57,389,935</u>
<b>Total liabilities</b>		<u>74,430,676</u>	<u>78,654,145</u>
<b>Total Equity and Liabilities</b>		<u>145,985,878</u>	<u>151,981,176</u>

The attached notes from 1 to 11 form part of these interim condensed consolidated financial statements

**UNION INVESTMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)**

	<u>Notes</u>	For the three months ended 31 March	
		2017	2016
		JD	JD
Sales	11	833,293	5,491,375
Cost of sales		(1,109,993)	(4,598,521)
<b>Gross(loss) profit</b>		<b>(276,700)</b>	<b>892,854</b>
Change in fair value for financial assets at fair value through profit or loss		1,497	21,231
Depreciation of investment properties		(97,800)	(101,843)
Rental income, net		652,783	680,663
Gain from sale of investment properties, net		-	58,972
Other (loss) income, net		(59,536)	123,372
<b>Net revenues</b>		<b>220,244</b>	<b>1,675,249</b>
Administrative expenses		(952,274)	(862,692)
Marketing expenses		(123,459)	(85,254)
Finance costs		(817,233)	(755,267)
<b>Loss before income tax</b>		<b>(1,672,722)</b>	<b>(27,964)</b>
Income tax	4	-	(45,078)
<b>Loss for the period</b>		<b>(1,672,722)</b>	<b>(73,042)</b>
<b>Attributable to:</b>			
Equity holders of the Company		(1,506,319)	(210,752)
Non-controlling interests		(166,403)	137,710
		<b>(1,672,722)</b>	<b>(73,042)</b>
		<u>Fils / JD</u>	<u>Fils / JD</u>
<b>Loss per share attributable to equity holders of the Company</b>		<b>(0/032)</b>	<b>(0/004)</b>

The attached notes from 1 to 11 form part of these interim condensed consolidated financial statements

**UNION INVESTMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)**

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	For the three months ended 31 March	
	2017	2016
	JD	JD
Loss for the period	(1,672,722)	(73,042)
<b>Add: other comprehensive income items not to be reclassified to profit and loss in subsequent periods:</b>		
Change in fair value reserve	37,538	7,215
<b>Total comprehensive income for the period</b>	<b>(1,635,184)</b>	<b>(65,827)</b>
<b>Attributable to:</b>		
Equity holders of the Company	(1,468,781)	(203,537)
Non-controlling interests	(166,403)	137,710
	<b>(1,635,184)</b>	<b>(65,827)</b>

The attached notes from 1 to 11 form part of these interim condensed consolidated financial statements





**UNION INVESTMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)**

		For the three months ended 31 March	
	Notes	2017	2016
		JD	JD
<b><u>OPERATING ACTIVITIES</u></b>			
Loss before income tax		(1,672,722)	(27,964)
<b>Adjustments for:</b>			
Depreciation		334,264	612,065
Gain on sale of property, plant and equipment		-	(122,624)
Gain on sale of investment properties		-	(58,972)
Finance costs		817,233	755,267
<b>Working capital changes:</b>			
Inventories		177,817	(176,992)
Trade receivables		(132,822)	(809,799)
Other current assets		4,405,989	315,735
Due from related parties		-	(1,649,965)
Trade payables and other current liabilities		(2,302,016)	2,486,265
Financial assets at fair value through profit or loss		(1,497)	(21,231)
Income tax paid		(181,273)	-
<b>Net cash flows from operating activities</b>		<b>1,444,973</b>	<b>1,301,785</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Purchase of investment properties		-	(23,200)
Purchases of property, plant and equipment		(2,340)	(2,902)
Projects under construction		(2,445)	(54,801)
Proceeds from sale of property, plant and equipment		896,407	211,000
Proceeds from sale of investment properties		-	327,444
<b>Net cash flows from investing activities</b>		<b>891,622</b>	<b>457,541</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Finance costs paid		(949,852)	(801,698)
Repayment of loans		(877,421)	(928,310)
Acquisition of non-controlling interests		(136,645)	(1,097,024)
<b>Net cash flows used in financing activities</b>		<b>(1,963,918)</b>	<b>(2,827,032)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>372,677</b>	<b>(1,067,706)</b>
Cash and cash equivalents at 1 January		(2,427,044)	(10,475,445)
<b>Cash and cash equivalents at 31 March</b>	<b>9</b>	<b>(2,054,367)</b>	<b>(11,543,151)</b>

The attached notes from 1 to 11 form part of these interim condensed consolidated financial statements

**UNION INVESTMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2017 (UNAUDITED)**

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**1) GENERAL**

Union Investment Corporation (the "Company") was established as a public shareholding company on 13 April 1994, with an authorized and paid in capital of JD 11,000,000 divided into 11,000,000 shares at a par value of JD 1 each, which has been increased throughout the years to become JD 50,000,000 divided into 50,000,000 shares.

The Company's objectives are to invest in different economic, industrial, manufacturing, commercial, agricultural, tourism sectors through of investment projects or the participation in owning and investment in these projects in addition to investing in shares, bonds and securities inside and outside Jordan.

The interim condensed consolidated financial statements were approved by the Company's Board of Directors in their meeting held on 27 April 2017.

**(2-1) BASIS OF PREPARATION**

The interim condensed consolidated financial statements for the three-month period ended 31 March 2017 have been prepared in accordance with International Accounting Standard 34 (Interim Financial Reporting).

The interim condensed consolidated financial statements do not contain all information and disclosures required for the annual financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual report as of 31 December 2016. In addition, the results for the three-month period ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

**(2-2) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards effective as of 1 January 2017.

**Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative**

Limited amendments which require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). However, the adoption of these amendments have no impact on the Group's interim condensed consolidated financial statements.

**Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Un-recognised Losses**

Limited amendments to clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference and some other limited amendments, the adoption of these amendments have no impact on the Group's interim condensed consolidated financial statements.

**(3) STATUTORY RESERVE**

The Group did not deduct for statutory reserve in accordance with the Jordanian Companies Law as these financial statements are interim condensed consolidated financial statements.

**(4) INCOME TAX**

Income tax for the three months ended 31 March 2017 and 2016 was calculated in accordance with the Income Tax Law No. (34) for 2014.

The Income and Sales Tax Department reviewed the accounting record of the Company and its subsidiaries up to 2012.

Income and Sales Tax Department did not review the Group records for the years 2013, 2014, 2015 and 2016 up to the date of these interim condensed consolidated financial statements.

**UNION INVESTMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2017 (UNAUDITED)**

**(5) RELATED PARTIES**

These interim condensed consolidated financial statements include the financial statements of the subsidiaries:

	Paid In Capital JD	Major Activity JD	Percentage Of Ownership %
Al Failaq Housing Limited Liability Company	5,000	Land Development	100
<b>Union for Cigarettes and Tobacco and its subsidiaries:</b>	15,083,657	Production of Tobacco and cigarettes	83,05
Al Aseel for Marketing of Ma'asel and Cigarettes	100,000	Marketing	100
Union for Tobacco and Cigarettes (Iraq)	100,000	Marketing	100
<b>Union Land Development Company and its Subsidiaries:</b>	42,065,129	Property Investments	43,76
Nibal Housing Company	30,000	Land Development	100
Paradise Contracting	50,000	Contracting	100
Adam Investment Company	30,000	Property Investments	100
Paradise Architectural Industries	100,000	Architecture	100
Thiban Real Estate	30,000	Land Development	100
Al Mahla Real Estate	1,000	Land Development	100
Al Amiri Real Estate Investments	1,000	Land Development	100
Al Farait Real Estate Investments	1,000	Land Development	100
Al Ghazalian Real Estate Investments	1,000	Land Development	100
Dhaba'a Real Estate	1,000	Land Development	100
Al Tajamouat Real Estate	150,000	Land Development	97,5

Related parties include associates, major shareholders, board of directors members, executive management, as well as companies controlled or have a significant influence directly or indirectly, by those entities.

Transactions with related parties included in the interim consolidated statement of profit or loss are as follow:

	For the three months ended 31 March	
	2017 JD	2016 JD
<b>Due from related parties</b>		
Sales from Union Tobacco and Cigarettes to Union Tobacco and Cigarettes (Iraq) - a subsidiary	-	3,931,056

**Key management salaries and bonuses:**

The key management salaries and bonuses amounted to JD 109,928 for the three months ended 31 March 2017 (31 March 2016: JD 119,622).

**UNION INVESTMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2017 (UNAUDITED)**

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**(6) PROPERTY, PLANT AND EQUIPMENT**

Additions to property, plant and equipment were amounted to JD 2,340 for the three months ended 31 March 2017 (31 March 2016: JD 2,902).

**(7) INVESTMENT PROPERTIES**

Additions to investment properties were nil for the three months ended 31 March 2017 (31 March 2016: JD 23,200).

Investment properties include lands that are not registered under the Group's name as follows:

	31 March 2017	31 December 2016
	JD (Unaudited)	JD (Audited)
Land	413,517	413,517

**(8) INVESTMENT IN ASSOCIATES**

	Country of incorporation	Nature of activity	Contribution percentage	31 March 2017	31 December 2016
				JD (Unaudited)	JD (Audited)
Al-Rafidain Tobacco and Cigarettes Distribution Company*	Jordan	Services	50%	50,000	50,000
Less: Provision for impairment				(50,000)	(50,000)
				-	-

\* The Group owns 50% of Al-Rafidain Tobacco and Cigarettes Distribution - Limited Liability Company capital which was established on 6 November 2012.

**UNION INVESTMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2017 (UNAUDITED)**

The Company did not account for its investment in Al-Rafidain Tobacco and Cigarettes Distribution - Limited Liability Company as of 31 March 2016 using the equity method as required by IAS (28), and was included in investment in associates at cost. In addition, the board of directors approved to liquidate the company in its meeting held on 14 July 2016 and based on that decision the value of the investment was written off.

The Group did not consolidate the interim condensed financial statements of the United Tobacco and Cigarettes Company (Iraq) as at 31 March 2016.

**(9) CASH AND BANK BALANCES**

For the purpose of interim consolidated statement of cash flows, cash and cash equivalents comprise of the following:

	31 March 2017	31 March 2016
	JD	JD
Cash and bank balances	194,858	122,037
Bank overdraft*	(2,249,225)	(11,665,188)
	<u>(2,054,367)</u>	<u>(11,543,151)</u>

\* Bank overdrafts represent the facilities granted from local banks to the Group with a ceiling of JD 3,082,434 at an annual interest rate of 8.5%.

**(10) LOANS**

	Currency	31 March 2017 (Unaudited)			31 December 2016 (Audited)		
		Loan installments			Loan installments		
		Current portion	Long-term portion	Total	Current portion	Long-term portion	Total
Bank Al Etihad (1)	JD	2,088,585	-	2,088,585	2,088,585	-	2,088,585
Bank Al Etihad (2)	JD	1,635,028	-	1,635,028	1,635,028	-	1,635,028
Housing Bank of Trade and Finance	JD	348,690	-	348,690	339,426	70,000	409,426
Blom Bank	JD	780,628	2,263,372	3,044,000	557,364	2,202,636	2,760,000
Jordan Kuwait Bank	JD	1,900,000	2,890,012	4,790,012	1,900,000	3,519,258	5,419,258
Bank Al Etihad (3)	USD	2,864,850	15,000,877	17,865,727	2,864,850	15,472,316	18,337,166
		<u>9,617,781</u>	<u>20,154,261</u>	<u>29,772,042</u>	<u>9,385,253</u>	<u>21,264,210</u>	<u>30,649,463</u>

**BANK AL ETIHAD (1) - JD**

The Company obtained bank facilities in the form of a revolving cash loan with a ceiling of JD 17,500,000 at an annual interest rate of 7.75% without commission, the company has rescheduled and decreased the loan more than once, the last was in 2011, where the company signed a supplemented agreement to decrease the revolving loan ceiling to become JD 3,000,000 with at an annual interest rate 9.25% .

These facilities are guaranteed by a collateral of 2,180,000 shares of the Group's owned shares in Union Tobacco and Cigarettes Industries Company (a subsidiary), in addition to 3,290,691 shares of the Group's owned shares in Union Land Development Company (a subsidiary).

On 5 May 2011, the Company signed a loan agreement with Bank Al Etihad, the agreement includes the cancelation of the bank credit account and the conversion of the entire amount into a loan with a ceiling of JD 9,130,000 at an annual interest rate of 9% repayable over semi annual installments given that undistributed dividends for the Group's unpledged and owned shares in Union Tobacco and Cigarettes Industries Company (a subsidiary) and Union Land Development Company (a subsidiary) amounting to 2,180,000 shares and 3,290,691 shares are deposited.

On 27 September 2015, the Company signed an agreement with Bank Al Etihad to reschedule the loan amounting to JD 2,427,374 given that the loan is repayable over two years installments, the first installment with an amount of JD 1,206,000 excluding interest which was due on 30 June 2016 and the second installment which represents the remaining balance of the loan will be due on 30 June 2017 under the same conditions and collaterals provided earlier.

On 29 September 2016, the Company signed an agreement with Bank Al Etihad to reschedule the installment that fell due on 30 June 2016 amounting to JD 400,000 and the second installment which amounted to JD 866,000 will be due on 5 January 2017 under the same conditions and collaterals provided earlier.

**BANK AL ETIHAD (2) - JD**

During 2013, Union Land Development (a subsidiary) obtained a loan from Bank Al Etihad with an amount of JD 3,500,000 at an annual interest rate of 9.25% without commission. The loan is repayable on quarterly installments of JD 264,000 each including interest. The first installment was paid on 1 January 2014 and the last installment is to be paid on 1 October 2017. This loan is secured by a first degree mortgage over land number 2157 Shmeisani, plot No. 13.

**HOUSING BANK FOR TRADE AND FINANCE- JD**

The Company has obtained a bank facility in the form of a revolving cash loan with a ceiling of JD 8,000,000 at an annual interest rate of 8% without commission, the company has reduced the loan ceiling more than once to become JD 2,750,000 at an annual interest rate of 9.25% and for the loan to be fully repaid during 2012. The loan was reschedule to become an overdraft with a ceiling of JD 1,000,000 and a loan with a ceiling of JD 1,000,000 payable on a quarterly basis. Those facilities are secured by a collateral of 1,400,000 of the Union Tobacco and Cigarettes Industries Company (a subsidiary) shares in addition to 257,692 shares of the Union Land Development Company (a subsidiary).

**BLOM BANK - JD**

During 2014, the Company obtained a loan from BLOM Bank with an amount of JD 5,000,000 at an monthly interest rate of 10% without commission. Loan is repayable in quarterly installments of JD 280,000 each except for the last installment which will be JD 240,000. Interest was amended on 12 July 2015 to become 9.5% and without commission. This loan is secured against a collateral of 4,000,000 shares of the Union Land Development Company (a subsidiary) and a collateral of 2,000,000 shares of the Union Tobacco and Cigarettes Industries (a subsidiary), in addition to a first degree mortgage with an amount of JD 6,000,000 over land No. 34 plot number 11, Hanno Sweifieh, Wadi Al-Seer form the lands of western Amman, which is registered under the name of Adam for Real Estate Investment and Project Management Company owned by Union Land Development Company (a subsidiary).

**JORDAN KUWAIT BANK - JD**

During 2014, Union Land Development (a subsidiary) obtained a declining loan from the Jordan Kuwait Bank with an amount of JD 7,900,000 at an annual interest rate of 8% without commission for the purpose of selling the Jordan Commercial Bank debt. The loan is repayable over semi annual installments for a JD 950,000 per installment including interest. The first installment was due on 30 May 2015. The client has pledged a first degree real estate mortgage over land number 266, Alnaajeyah plot sector number (8) of Al Yadodeh lands.



**UNION INVESTMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2017 (UNAUDITED)**

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**BANK AL ETIHAD (3) – USD**

Union Tobacco and Cigarette Industries (a subsidiary) has obtained a declining loan in US Dollars with an amount of USD 14,000,000 at an annual interest rate of 5.5% without commission and repayable over 48 equal monthly installments of USD 326,000 per installment except for the last installment which will become due on 1 December 2018. The first installment was due on 2 February 2014.

The loan is pledged against the purchased shares of the Union Land Development Company (a subsidiary) and the shares of Union Investment Corporation and the resulting cash or share dividends, in addition to a first degree real estate mortgage with an amount of JD 15,000,000 and endorsement of insurance policy for the bank's favor of JD 21,000,000.

On 12 August 2015, the declining loan facility was increased to become USD 17,000,000 at an annual interest rate of 5.5% less a margin of 0,25% without commission This loan is repayable over equal monthly installments for USD 394,000 per installment, the first installment was due on 30 September 2015 and the last installment which represents the remaining amount of the loan will be due on 30 August 2019 under the same conditions and collaterals provided earlier.

On 28 April 2016, the declining loan facility was increased to become USD 26,900,00 at an annual interest rate of 5.5% without commission repayable over 100 equal monthly installments for USD 269,000 per installment, the first installment was due on 30 May 2016 except for the last installment which represents the remaining amount of the loan and will be due on 30 September 2024 under the same conditions and collaterals provided earlier.

The principle installments payable during next years are as follows:

	<u>JD</u>
2017	9,617,781
2018	4,843,746
2019	4,852,948
2020	2,961,156
2021 - 2024	<u>7,496,411</u>
	<u>29,772,042</u>

**(11) OPERATION SEGMENT**

The presentation of key segments is determined on the basis that the risks and rewards relating to the Group are materially affected by the difference in the products or services of those segments. These segments are organized and managed separately by the nature of the services and products, each of which is a separate unit and is measured according to reports used by the Group's Chief Executive Officer and Chief Decision Maker.

The Group is organized for administrative purposes through the following sectors:

- Mashed Cigarettes Sector.
- Carton Industry.
- Investments in shares of companies: represented by investments in shares and associates.
- Investment properties: Purchase of land for the purpose of increasing its value. Group management monitors the results of business segments separately for performance evaluation purposes. Segment performance is evaluated based on operating profit or loss for each segment.

A geographical segment is associated with the provision of products or services in a specific economic environment that is subject to risks and rewards that differ from those in other economic environments. All operating segments are linked in one geographical sector.

**UNION INVESTMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2017 (UNAUDITED)**

Income, profit, assets and liabilities by business sector are as follows:

	Tobacco and cigarettes	Carton production	Investments in shares	Investments properties	Total
	JD	JD	JD	JD	JD
<b>For the period ended 31 March 2017</b>					
<b><u>Revenues:</u></b>					
Revenues	833,293	-	-	-	833,293
<b><u>Business Results:</u></b>					
(Loss) profit for the period	(1,404,149)	-	(395,765)	127,192	(1,672,722)
<b><u>Other Segment Information:</u></b>					
Deprecation	(216,624)	-	(19,840)	(97,800)	(334,264)
Finance costs	(365,890)	-	(314,204)	(137,139)	(817,233)
<b>For the period ended 31 March 2016</b>					
<b><u>Revenues:</u></b>					
Revenues	5,260,045	231,330	-	-	5,491,375
<b><u>Business Results:</u></b>					
(Loss) profit for the period	191,214	(74,549)	(399,655)	209,948	(73,042)
<b><u>Other Segment Information:</u></b>					
Deprecation	(509,942)	-	(280)	(101,843)	(612,065)
Finance costs	(214,834)	-	(344,376)	(196,057)	(755,267)
<b>As of 31 March 2016 (Unaudited)</b>					
Segments assets	63,592,610	-	26,144,548	56,248,720	145,985,878
Segments liabilities	46,161,907	-	18,114,031	10,154,738	74,430,676
<b>As of 31 December 2016 (Audited)</b>					
Segments assets	66,105,317	-	24,719,950	61,155,909	151,981,176
Segments liabilities	49,180,534	-	18,303,379	11,170,232	78,654,145