



عمان في 10 / 5 / 2017

السادة / بورصة عمان المحترمين

تحية طيبة وبعد ،،،

نرفق لكم طيه البيانات المالية باللغة الانجليزية لشركة اللؤلؤة لصناعة الورق الصحي عن الفترة المنتهية في 2016/12/31. يرجى الإيعاز لمن يلزم باستلامها وحفظها لديكم.

وتفضلوا بقبول فائق الاحترام ،،،

شركة اللؤلؤة لصناعة الورق الصحي
اللؤلؤة
محمد العبدالات
رئيس مجلس الإدارة
شركة
١٥٤٤١٢٢
شهر

بورصة عمان
الدائرة الإدارية والمالية
الديوان
١٠ أيار ٢٠١٧
الرقم المتسلسل: ٢٤٧٧
رقم الملف: ٤١٠٨١
الجهة المختصة: مكتب المراجعة والمعلومات

ملاحظة:

الرجاء التوقيع بالاستلام

Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan

Financial statements
As of December 31, 2016

**Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan**

Index

	<u>Page</u>
Independent auditor's report	1
Statement of financial position as of December 31, 2016 (Exhibit A)	2
Statement of comprehensive income for the year Ended December 31, 2016 (Exhibit B)	3
Statement of changes in owners' equity for the year Ended December 31, 2016 (Exhibit C)	4
Statement of cash flows for the year Ended December 31, 2016 (Exhibit D)	5
Notes to the financial statements	6-20



Independent Auditors' Report

01 17 402

To the Shareholder of
Pearl Sanitary Paper Converting Co.
Public Shareholding Company
Amman- The Hashemite Kingdom of Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the Accompanying financial statements of **Pearl Sanitary Paper Converting Co (Public Shareholding Company)**, which comprise the statement of financial position as at December 31, 2016, and the statements of comprehensive income, changes in owner's equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2016, and its financial performance and its 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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no key audit matters possible to refer in our report on financial statements for this year.

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. We expected that we will give the annual report after our report. Our opinion on the 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 financial statements, our responsibility is to read the other information when its available and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 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 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.

Ibrahim Abbasi & Co.



Nabil Obeidat
License 877

Amman in
January 30, 2017

**Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan**

**Financial position
As of December 31, 2016**

Exhibit A

	<u>Note</u>	<u>2016</u> JD	<u>2015</u> JD
<u>Assets</u>			
<u>Current assets</u>			
Cash at banks & local companies	5	326,646	473,847
Accounts receivable - Net	6	-	-
Spare parts warehouse - Net	7	-	-
Other debit balances	8	191,282	198,776
Total current assets		517,928	672,623
Property, plant & equipments - net	9	911,199	961,357
Total assets		<u>1,429,127</u>	<u>1,633,980</u>
<u>Liabilities and owners' equity</u>			
<u>Current liabilities</u>			
Accounts payable		11,564	11,505
Income tax provision	16	86,943	81,670
Other credit balances	10	233,947	240,821
Total current liabilities		332,454	333,996
<u>Owners' equity</u>			
Capital	11	500,000	500,000
Statutory reserve	11	460,508	460,508
Retained earnings at year end (Exhibit C)	11	136,165	339,476
Total owners' equity		<u>1,096,673</u>	<u>1,299,984</u>
Total liabilities and owners' equity		<u>1,429,127</u>	<u>1,633,980</u>

The accompanying notes form from (1) To (23) an integral part of this statement .

**Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan**

**Statement of comprehensive income
For the year ended December 31, 2016**

Exhibit B

	<u>Note</u>	<u>2016</u> JD	<u>2015</u> JD
Other revenues	12	169,981	178,491
General & administrative expenses	13	(109,995)	(96,148)
Returned from doubtful debts provision		-	904
Income before tax		<u>59,986</u>	<u>83,247</u>
Income tax provision	16	<u>(5,273)</u>	<u>(9,624)</u>
Income for the year		<u>54,713</u>	<u>73,623</u>
Comprehensive income for the year (Exhibit C)		<u><u>54,713</u></u>	<u><u>73,623</u></u>
		<u>Fils/Dinar</u>	<u>Fils/Dinar</u>
Basic and diluted earning per share	14	<u><u>0.109</u></u>	<u><u>0.147</u></u>

The accompanying notes form from (1) To (23) an integral part of this statement .

**Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan**

**Statement of owners' equity
For the year ended December 31, 2016**

Exhibit C

Description	Capital JD	Statutory reserve JD	Retained earnings JD	Total JD
Balance as of December 31, 2014	500,000	460,508	265,853	1,226,361
Income after tax	-	-	73,623	73,623
Total comprehensive income for the year (Exhibit C)	-	-	73,623	73,623
Balance as of December 31, 2015 (exhibit A)	500,000	460,508	339,476	1,299,984
Prior years' income tax	-	-	(8,024)	(8,024)
Adjusted opening balances	-	-	(8,024)	(8,024)
Income after tax	-	-	54,713	54,713
Total comprehensive income for the year (Exhibit C)	-	-	54,713	54,713
Dividends paid to shareholders (Exhibit 11)	-	-	(250,000)	(250,000)
Balance as of December 31, 2016 (exhibit A)	500,000	460,508	136,165	1,096,673

The accompanying notes form from (1) To (23) an integral part of this statement .

Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan

Statement of cash flows
For the year ended December 31, 2016

Exhibit D

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		JD	JD
<u>Cash flows from operating activities</u>			
Income before tax		59,986	83,247
Depreciations		50,158	49,015
Returned from doubtful debts provision		-	(904)
Prior years income tax		(8,024)	-
Operating income before changes in working capital		102,120	131,358
<u>(Increase) decrease in current assets</u>			
Accounts receivable		-	904
Other debit balances		7,494	2,770
<u>Increase (decrease) in current liabilities</u>			
Accounts payable		59	(75)
Other credit balances		(6,874)	(1,664)
Net cash flows provided from operating activities		102,799	133,293
Before Paid tax			
Paid tax	16	-	-
Net cash flows provided from operating activities		102,799	133,293
<u>Cash flows from financing activities</u>			
Dividends paid to shareholders		(250,000)	-
Net cash flows (used in) financing activities		(250,000)	-
Net (dcrease) increase in cash		(147,201)	133,293
Cash at banks & local Co. at beginning of Year		473,847	340,654
Cash at banks & local Co. at end of year (Exhibit A)		326,646	473,947

The accompanying notes form from (1) To (23) an integral part of this statement .

Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

- Registration and activities of the company

Pearl Sanitary Converting Co. P.S.C. was established in accordance of instructions of Jordanian companies temporary law number (1) for the year 1989 of capital amounted of JD 4,000,000 distributed on 4,000,000 shares of Nominal value JD 1 per share.

The company registered in public shareholding company record at ministry of industry & trade in JORDAN under number (239) dated of December 21, 1993 , it obtained the right of commence work at April 19, 1994 .

The company purposes are to establishing , constructing and managing factories for produce and trade all kinds of face , hands , toilet , dining table , kitchen sanitary paper , in addition to other purpose which states in memorandum of association , project of the company considered as certified economic project enjoy exemptions states in investment promotion law number (11) for the year 1988 and most important imported property & equipments exemption from all fees and exempt the project of tax for 5 years from November 12, 1996 (Actual production date) .

The general assembly in its extraordinary meeting held on September 6, 2012 decided to decrease capital from JD 2,500,000 to JD 500,000 , the decrease amount was distributed as a cash dividends to shareholders according to their sharing rate in capital , legal procedures were completed to ministry of industry & trade on November 14, 2012.

The financial statements were approved by the board of directors at its meeting held on January 30, 2017, these financial statements needs subject to the approval of the general assembly of shareholders .

2- Basis of preparation of financial statements

The financial statements of the company have been prepared in accordance to International Financial Reporting Standards .

The financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value (if exist).

The financial statements are presented in Jordanian Dinars (JD) which is the company's functional and presentation currency .

Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

3- Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities . These estimates and assumptions also affect the revenues and expenses and the resultant provisions and particular , considerable judgement by management is required in the estimation of the amount and timing of future cash flows . 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 change in such provisions .

Management believe that the estimates are reasonable and are as follows :

- Management evaluates its investments for impairment on a regular basis where there is a prolonged decline , Management estimates the value of impairment and the same is charged in the statement of comprehensive income - An estimate of the collectible amount of trade accounts receivables 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 .

- Inventories are held at the lower of either cost or net realizable value . When inventories become old or obsolete , an estimate is made of their realizable value . For individually significant amounts this estimation is performed on an individual basis . Amounts which are not individually significant , but which are old or obsolete , are assessed collectively and a provision applied according to the inventory type and the degree of aging or obsolescence , based on historical selling prices.

- Management reviews periodically the tangible and intangible assets in order to assess the amortization and depreciation for the year based on the useful life and future economic benefits . Any impairment is taken to the statement of comprehensive income.

4- Significant accounting policies

Changes in accounting policies

Accounting policies followed in financial statements' preparation for this year are consistent with the policies followed the last year .

Accounts receivable

Accounts receivable are stated at their net realizable value net of a provision for doubtful accounts , Accounts receivable are written off if no possibility to collect by deduction from taken provision and add Proceeds from receivable that were written off to income.

Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

Bad debts provision

When the company has an evidence not to collect some or all of required amount from receivables , then it will establish a provision to face the risk of collecting amounts , this provision is calculated upon the change between the net book value for the debts and the realizable value .

Prperty, plant & equipments

Property, plant & equipments are recorded at cost and depreciated (except lands) over its estimated useful lives under the **straight line** method by using annual depreciation rates as follows:

Buildings & Hangers	2% - 4%
Machines , equipments & tools	10% - 20%
Cliches , designs & systems	15% - 20%
Office equipments & tools	15% - 33%
Furnitures & decorations	10% - 15%

An assets carrying amounts is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount , the impairment record in statement of comprehensive income .

The expected production life for assets is reviewed at end of the year , whenever ther are changes between the expected life and the estimated , the depreciation method is changed to depreciate on net book value based on the remaining production life after re-estimation from the year re-estimated on .

When there are no expected economic benefits from usage , that item will be written down immediately .

Accounts payable & accrued amounts

The accounts Payable and accrued amounts are recognized upon receipt of the goods by the company, whether billed by the supplier or not.

Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

Income tax

Accrued taxes expenses are calculated according to taxable gains in accordance to law (34) for the year 2014, taxable gains are different from declared gains in income statement because declared gains include non-taxable revenues or non-reduction expenses at the current year but in coming years , or acceptable taxable accumulated loss , or non-taxable items or reducing for tax purposes .

Taxes are calculated according to decision tax rate in accordance with laws , systems and instructions .

Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events , it is probable that an outflow or resource will be required to settle the obligation , and a reliable estimate of the amount can be made . Where the company expect a provision to be reimbursed , for example under an insurance contract , the reimbursed is recognized as a seperate asset but only when the reimbursement is virtually certain .

Other revenues

Other revenues are recognized upon accrual basis

Offsetting

Offsetting of fianacial assets and financial liabilities is occurred and the net amount reported in the financial statements when the rights and legaly enforceable right to offset the recognized amounts and the bank intends to either settle them on a net basis , or to realize the assets and settle the liability simultaneously

Foreign currency translation

Foreign currency transactions are translated into Jordanian Dinars at the exchange rates prevailing at the date of transaction . Assets and liabilities expressed in foreign currencies are translated into Jordanian Dinars at the exchange rates prevailing as at the balance sheet date . Exchange differences arising from these translations are included in the statement of income .

**Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements**

5- Cash at banks & local companies

A. This item consists of the following :

	2016 JD	2015 JD
Current accounts at banks	1,172	2,664
Deposits accounts at bank (Exhibit 5B)	325,474	129,000
Cash at local companies	-	342,183
Net	326,646	473,847

B. Interest rate for bank's deposits is 2% , it accrued quarterly .

6- Accounts receivable and cheques under collection - net

A. This item consists of the following :

	2016 JD	2015 JD
Accounts receivable	138,182	138,182
Other receivable	42,939	42,939
Total	181,121	181,121
Less: provision for doubtful debts (Exhibit 6B)	(181,121)	(181,121)
Net	-	-

B. **The movement of provision for doubtful debts during the year as follows :**

	2016 JD	2015 JD
Balance beginning of the year	181,121	182,025
Disposals for the year (returned to Income St.)	-	(904)
Balance ending of the year	181,121	181,121

**Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements**

7- Spare parts warehouse - Net

This item consists of the following :

	2016	2015
	JD	JD
Spare parts warehouse	52,053	52,053
Less: provision for stagnant spare parts	(52,053)	(52,053)
Net	-	-

8- Other debit balances

This item consists of the following :

	2016	2015
	JD	JD
Refundable deposits	11,105	11,105
Employees debts	30,720	30,720
Due to income tax	27,277	27,146
Accrued rents	152,900	160,525
Total	222,002	229,496
Less: provision for Employees debts	(30,720)	(30,720)
Net	191,282	198,776

**Pearl Sanitary Paper Converting Co.
(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Notes to the financial statements

9- Property, plant & equipments - Net

This item consists of the following :

	Lands		Buildings & hangers		Machines, equipments & tools		Cliches, designs & systems		Office equipment s & tools		Furnitures & decorations		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost														
Balance ending of the year	333,500	1,585,088	305,836	56,308	166,202	87,667	2,534,601							
Accumulated depreciations														
Balance beginning of the year	-	957,235	305,835	56,307	166,201	87,666	1,573,244							
Additions	-	50,158	-	-	-	-	50,158							
Balance ending of the year	-	1,007,393	305,835	56,307	166,201	87,666	1,623,402							
Net book value as of December 31,2016	333,500	577,695	1	1	1	1	911,199							
Net book value as of December 31,2015	333,500	627,853	1	1	1	1	961,357							

**Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements**

10- **Other credit balances**

A. This item consists of the following :

	2016	2015
	JD	JD
Shareholders withholding (Exhibit 10B)	181,954	184,964
Accrued expenses	1,875	938
Due to income tax	2,287	2,287
Scientific research support & professional training provision	8,168	8,168
Board of directors remuneration	11,689	15,689
Scientific research support fund	711	711
Contingent liabilities provision	10,597	10,597
Due to others	4,150	4,150
Sues provision	2,945	2,945
Jordanian universities fees provision	5,662	5,662
Due to sales tax	-	801
Employees debts	3,909	3,909
Total	233,947	240,821

B. There is no detailed statements for shareholders withholding .

11- **Owners' equity**

A. **Capital**

Declared & Paid capital consists of JD 500,000 distributed on 500,000 shares, with Nominal value for each share of one JD .

B. **Statutory reserve**

This item represents the accumulated amount appropriated at a rate of 10% of annual income and previous years, the appropriation will stop when the statutory reserve amount equals the capital , it is not accepted for any dividends payments to partners.

C. **Retained earnings**

General assembly decided in its ordinary meeting held on March 24, 2016 to distribute cash dividends of 50% of capital amounted of JD 250,000.

Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

12- Other revenues

A. This item consists of the following :

	<u>2016</u>	<u>2015</u>
	JD	JD
Credit interests revenues	10,368	16,812
Rents revenues	160,400	160,400
Other (expenses) revenues	(787)	1,279
Total	<u>169,981</u>	<u>178,491</u>

13- General & administrative expenses

A. This item consists of the following :

	<u>2016</u>	<u>2015</u>
	JD	JD
Professional fees & technical consulting	10,212	13,308
Government fees & subscriptions	40,302	23,177
Depreciations	50,158	49,015
Others	2,568	1,912
Bank interest	255	236
Bonuses	500	500
Board of directors remuneration	6,000	8,000
Total	<u>109,995</u>	<u>96,148</u>

14- Basic and diluted earning per share

A. This item consists of the following :

	<u>2016</u>	<u>2015</u>
	JD	JD
Income for the year (JD)	54,713	73,623
Weighted average shares (share)	500,000	500,000
Basic and diluted earning per share	<u>0.109</u>	<u>0.147</u>

The diluted earning per share is equal to the basic earning per share .

Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

15- Contingent liabilities

At financial position date there was contingent liabilities represents of bank gurantees amounted of JD 17,000 .

16- Income tax provision

A. The movement of income tax provision during the year were as follows :

	<u>2016</u>	<u>2015</u>
	JD	JD
Balance beginning of the year	81,670	72,046
Tax of the year	<u>5,273</u>	<u>9,624</u>
Balance ending of the year	<u>86,943</u>	<u>81,670</u>

B. The income tax until the year 2014 has been setteled , the revealed self-esteem for the year 2015 was provided and accepted from Income Tax & Sales Department but not reviewd yet

Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

17- Assets & liabilities accrual analysis

A. This item consists of the following :

	2016		
	Until 1 year	More than 1 year	Total
	JD	JD	JD
Assets			
Current assets			
Cash at banks & national companies	326,646	-	326,646
Other debit balances	191,282	-	191,282
Total current assets	517,928	-	517,928
Property & equipments - net	50,158	861,041	911,199
Total assets	568,086	861,041	1,429,127
Liabilities			
Current liabilities			
Accounts payable	11,564	-	11,564
Income tax provision	86,943	-	86,943
Other credit balances	233,947	-	233,947
Total current liabilities	332,454	-	332,454
Net	235,632	861,041	1,096,673

	2015		
	Until 1 year	More than 1 year	Total
	JD	JD	JD
Assets			
Current assets			
Cash at banks & national companies	473,847	-	473,847
Other debit balances	198,776	-	198,776
Total current assets	672,623	-	672,623
Property & equipments - net	49,015	912,342	961,357
Total assets	721,638	912,342	1,633,980
Liabilities			
Current liabilities			
Accounts payable	11,505	-	11,505
Income tax provision	81,670	-	81,670
Other credit balances	240,821	-	240,821
Total current liabilities	333,996	-	333,996
Net	387,642	912,342	1,299,984

**Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements**

18- Sectors classification

Main company's objective is manufacturing sanitary paper , leasing buildings , real estates and exploit trade marks , the following informations about business sectors :

	2016		
	Main activity JD	Others JD	Total JD
Revenues	-	169,981	169,981
<u>Assets & liabilities</u>			
Assets	-	1,429,127	1,429,127
Liabilities	-	332,454	332,454
<u>Other sectors informations</u>			
Depreciations	-	50,158	50,158

	2015		
	Main activity JD	Others JD	Total JD
Revenues	-	179,395	179,395
<u>Assets & liabilities</u>			
Assets	-	1,633,980	1,633,980
Liabilities	-	333,996	333,996
<u>Other sectors informations</u>			
Depreciations	-	49,015	49,015

Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

19- Risk management

Interest price risk

Company is facing interest price risks on its assets and liabilities which represents interests on deposits at banks and local companies .

Credit risks

Credit risks are the result of debtors failed payments and other parties to fulfill their obligation towards company .

The company see that it is not exposed to credit risks being there are no trade receivables.

Liquidity risks

The company managing liquidity risks through making sure of availability of bank's facilities.

The following schedule summarizes distribution of financial liabilities (non-discounted) as of **December 31,2016** based on remaining period for contractual entitlement :

	2016				
	Less than 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	Total
	JD	JD	JD	JD	JD
Account payables & other credit balances	332,454	-	-	-	- #####

	2015				
	Less than 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	Total
	JD	JD	JD	JD	JD
Account payables & other credit balances	333,996	-	-	-	- #####

Currencies risks

Most of company's transactions was in Jordanoan Dinars , so the effect of currencies risks is not material to financial statements .

Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

20- Related parties

Related parties include key shareholders , key management personnel , key managers , associates and subsidiaries and controlled companies . The company's management has approved the pricing policies and terms of transactions with related parties.

	Type of transaction	2016 JD	2015 JD
<u>Details of due from related parties appear on financial position</u>			
Investments & integrated industries Co.	Deposits	-	342,183

Details related parties balances appear on statement of income

Investments & integrated industries Co.	Interests	10,368	16,812
Nuqul automotive Co.	Rents	160,400	160,400

21- Capital's management

Main objective of capital management is to insure keeping capital ratio appropriate to support company's activity and maximizing Shareholders equity .

Company managing capital structure and making needs adjustments according to changes in work conditions ,the company structuring capital by decrease it because of no needs for this amount currently .

The items include in capital structure represents of paid capital & statutory reserve & retained earnings totaling of JD 1,096,673 as of **December 31, 2016** opposite of JD 1,299,984 as of **December 31, 2016** .

Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

22- General

General assembly approved on **June 14, 2009** the vision of board of directors about changing company's activities according to intense competition which faced company recently which lead to stop production and lease company's building and decrease all expenses & management expenses to minimum limit , and limited the activities in this stage of exploit its trade mark and lease buildings and real estates , until improve economic eituation in jordan and clarity of vision around company's future activities .

23- Comparative Figures

Certain of prior year figures have been reclassified to conform with the current year classification