

الرقم: DJH/Fin/066/2017

التاريخ: 10/05/2017

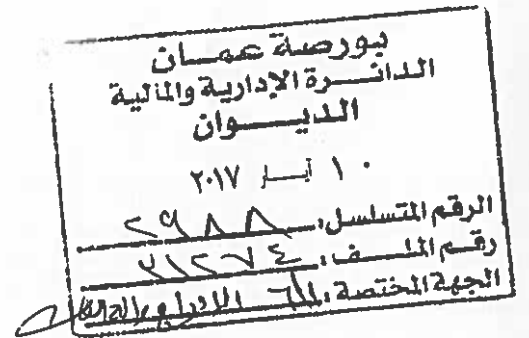
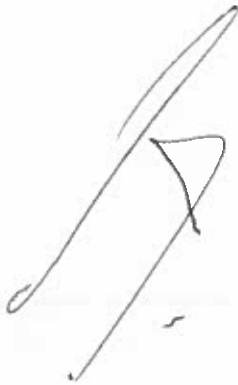
السادة بورصة عمان المحترمين

تحية طيبة وبعد،

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

وتفضلوا بقبول فائق الاحترام،،،،،

شركة دارات الاردنية القابضة



DARAT JORDAN HOLDINGS COMPANY

PUBLIC SHAREHOLDING COMPANY

UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2017



Ernst & Young Jordan
P.O.Box 1140
Amman 11118
Jordan

Tel: 00 962 6580 0777/00 962 6552 6111
Fax: 00 962 6553 8300
www.ey.com/me

**REPORT ON REVIEW OF
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF DARAT JORDAN HOLDINGS COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Darat Jordan Holdings Company (Public Shareholding Company) (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 2016 and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the three months period then ended and explanatory notes. 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). 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.

Conclusion

Based on our review, 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.

Amman – Jordan
27 April 2017

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHARE HOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2017

<u>ASSETS</u>	<u>Note</u>	31 March 2017	31 December 2016
		JD	JD
		(unaudited)	(audited)
Non-Current Assets -			
Properties and equipment		20,071	20,659
Investments in lands		3,163,136	3,163,136
Properties under development		1,943,836	1,913,029
Investments in associates		1,826,524	1,822,349
Cheques under collection – long term		49,490	102,364
Advance payments on investments		-	46,890
		<u>7,003,057</u>	<u>7,068,427</u>
Current Assets-			
Financial assets at fair value through profit or loss		1,166,520	1,517,785
Accounts receivable		1,101	1,255
Other current assets		135,577	53,934
Cheques under collection – short term		374,650	418,860
Due from related parties	5	40,858	64,717
Restricted bank balances		384,455	386,881
Cash and bank balances		1,809,590	1,733,365
		<u>3,912,751</u>	<u>4,176,797</u>
Total Assets		<u>10,915,808</u>	<u>11,245,224</u>
<u>EQUITY AND LIABILITIES</u>			
Equity-			
Paid in capital		15,000,000	15,000,000
Statutory reserve		29,308	29,308
Accumulated losses		<u>(4,130,002)</u>	<u>(3,798,787)</u>
Total Equity		<u>10,899,306</u>	<u>11,230,521</u>
<u>LIABILITIES</u>			
Current Liabilities-			
Accounts payable and other current liabilities		<u>16,502</u>	<u>14,703</u>
Total Liabilities		<u>16,502</u>	<u>14,703</u>
Total Equity and Liabilities		<u>10,915,808</u>	<u>11,245,224</u>

The accompanying notes from 1 to 7 form part of these interim condensed consolidated financial statements

**DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)**

	31 March 2017	31 March 2016
	JD	JD
Farm's sales	-	402,400
Residential apartment's sales	-	188,500
Cost of farm's sales	-	(452,209)
Cost of residential apartment's sales	-	(201,484)
Gross profit (loss)	-	(62,793)
Depreciation	(1,067)	(1,030)
(Losses) gains on financial assets at fair value through profit or loss	(352,918)	24,852
Administrative expenses	(65,389)	(67,858)
Other income, net	23,724	15,195
Operating Loss	(395,650)	(91,634)
Interest income	17,150	12,247
Group's share of profit of associates	47,285	45,782
Loss for the period	(331,215)	(33,605)
Add: Other comprehensive income	-	-
Total comprehensive income for the period	(331,215)	(33,605)
Attributable to:		
Equity holders'	(331,215)	(33,605)
Non-controlling interests	-	-
	(331,215)	(33,605)
	JD/Fils	JD/Fils
Basic and diluted earnings per share attributable to equity holders	(0/022)	(0/002)

The accompanying notes from 1 to 7 form part of these interim condensed consolidated financial statements

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)

	Accumulated losses										Total equity			
	Paid in capital		Statutory reserve		Realized (losses) gains		Unrealized (losses) gains		Total			Non-controlling interests		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD		JD	JD	
For three months ended 31 March 2017 -														
Balance at 1 January	15,000,000	29,308	(4,083,448)	284,661	(3,798,787)	11,230,521	-	11,230,521	-	11,230,521	-	11,230,521		
Total comprehensive income for the period	-	-	21,703	(352,918)	(331,215)	(331,215)	-	(331,215)	-	(331,215)	-	(331,215)		
Balance at 31 March	15,000,000	29,308	(4,061,745)	(68,257)	(4,130,002)	10,899,306	-	10,899,306	-	10,899,306	-	10,899,306		
For three months ended 31 March 2017 -														
Balance at 1 January	15,000,000	14,811	(1,986,669)	155,348	(1,831,321)	13,183,490	(945)	13,183,490	(945)	13,182,545	-	13,182,545		
Total comprehensive income for the period	-	-	(58,187)	24,582	(33,605)	(33,605)	-	(33,605)	-	(33,605)	-	(33,605)		
Balance at 31 March	15,000,000	14,811	(2,044,856)	179,930	(1,864,926)	13,149,885	(945)	13,149,885	(945)	13,148,940	(945)	13,148,940		

The accompanying notes from 1 to 7 form part of these interim condensed consolidated financial statements

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)

	31 March 2017	31 March 2016
	JD	JD
<u>OPERATING ACTIVITIES</u>		
Loss for the period	(331,215)	(33,605)
Adjustments for:		
Depreciation	1,067	1,030
Change in fair value of financial assets at fair value through profit or loss	352,918	(24,852)
Group share of profit of associates	(47,285)	(45,782)
Interest revenue	(17,150)	(12,247)
Working capital changes:		
Accounts receivable and other current assets	(66,664)	(64,342)
Restricted cash	2,426	5,748
Real estate inventory	-	185,612
Cheques under collection	97,084	426
Advances from customers	-	(91,260)
Accounts payable and other current liabilities	1,799	1,361
Net cash flows used in operating activities	(7,020)	(77,911)
<u>INVESTING ACTIVATES</u>		
Related parties transactions	23,859	(12,607)
Purchase of financial assets at fair value through profit or loss	(1,653)	-
Proceeds from sale of financial assets at fair value through profit or loss	-	5,831
Purchase of properties and equipment	(479)	-
Interest received	2,325	8,289
Properties under development	(30,807)	426,892
Dividends from associates	90,000	90,000
Net cash flows from investing activities	83,245	518,405
Net increase in cash and cash equivalents	76,225	440,494
Cash and cash equivalents at 1 January	1,733,365	1,280,480
Cash and cash equivalents at 31 March	1,809,590	1,720,974

The accompanying notes from 1 to 7 form part of these interim condensed consolidated financial statements

(1) General

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

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

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

(2) Basis of preparation

The interim condensed financial statements for the three months ended 31 March 2017 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other profit or loss that have been measured at fair value as at the date of the consolidated financial statements. The consolidated financial statements are presented in Jordanian Dinars "JD" which is the functional currency of the Group.

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 months period ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

Change in Accounting Policies

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 consolidated interim condensed financial statements.

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AT 31 MARCH 2016

(2) Basis of preparation (Continued)

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 consolidated interim condensed financial statements.

(3) Basis of consolidation

The consolidated financial statements comprise the financial statements of Darat Jordan Holdings Company and the following subsidiaries as of 31 March 2017:

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

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

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

(4) Income tax

Income tax provision was not calculated for periods ended 31 March 2017 and 2016, in accordance with the Income Tax Law No. (34) for the year 2014 due to the excess of expenses over taxable income.

Darat Jordan Holdings Company:

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

The Company reached a final settlement with Income and Sales Tax Department up to the year 2014.

Jordan European Real Estate Management Company:

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

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2013.

Executives for real estate development:

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

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2013.

Al Marsa Alamen for Real Estate Development:

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

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2013.

(4) Income tax (Continued)

Al Mashkah Company:

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

The Company reached a final settlement with Income and Sales Tax Department up to the year 2011.

Al Hadas for Development and Investments Company:

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

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2013.

Darat Al Reef Jordan Real Estate Company:

The Company submitted its annual income tax returns for the years 2014 and 2015, Income and Sales Tax Department has not reviewed these returns the year 2014 up to the date of the consolidated financial statements.

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2013.

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AT 31 MARCH 2016

(5) Related party transactions

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

Transactions with related parties are as follows:

Company's name	Paid in capital	Nature of transaction	Percentage of owner ship		Group type
			31 March 2017	31 December 2016	
Darat Al Reef Jordan Real estate Company	50,000	Real Estate Development	100	100	Private shareholding Limited liability
Jordanian European Real Estate Management Company	5,000	Real Estate Management	100	100	Limited liability
Altanfezeyoun for Real Estate Development	10,000	Real Estate Services Management	100	100	Limited liability
Al Mashkah Company	10,000	Financial and educational consultations	100	100	Limited liability
Al Marsa Alamen for Real Estate Development	1,000	Real Estate Services Management	100	100	Limited liability
Al Hadas for development and investments Company	19,000	Real Estate Services Management	100	100	Limited liability

Consolidated statement of financial position:

	31 March 2017	31 December 2016
	JD	JD
	(unaudited)	(audited)
Due from related parties		
Due from Al Salam Security Company (subsidiary of an associate)	4,372	3,217
Due from Al Rokn Al Italy Investments Company (associate)	2,976	2,976
Due from Jordan Cyprus for Logistics Services Company (associate)	33,510	58,524
	<u>40,858</u>	<u>64,717</u>

The Company provided cash deposits with an amount of JD 304,025 against bank overdraft facilities for Jordan Cyprus Company (associate) obtained from Audi Bank (2016: JD 304,025).

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AT 31 MARCH 2016

(5) Related party transactions (Continued)

Consolidated statement of comprehensive income:

Key management benefits:

	For the three months ended 31 March	
	31 March 2017	31 March 2016
	JD (unaudited)	JD (unaudited)
Salaries and other benefits	27,417	31,976

(6) Contingent liabilities

	31 March 2017	31 December 2016
	JD (unaudited)	JD (audited)
Letters of guarantees*	152,669	176,927

* This amount includes a letter of guarantee with an amount of JD 60,000 for Jordan Cyprus Company (associate) as at 31 March 2017 with a cash margin of JD 69,267 as at 31 March 2017 (2016: JD 71,693).

DARAT JORDAN HOLDINGS COMPANY
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AT 31 MARCH 2016

(7) Segment information

Business segments information

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

Land development – represented with the purchase of lands for the purpose of development and sale.

Financial investments - represented with the investments in stocks and investments in associates.

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

	Lands Development	Financial investments	Other	Total
	JD	JD	JD	JD
For the three months period ended 31 March 2017 (unaudited)				
Segment revenues	-	17,150	23,724	40,874
Group's share of profit of associates	-	34,477	12,808	47,285
Depreciation	(614)	(453)	-	(1,067)
Other expenses	(52,048)	(366,259)	-	(418,307)
(Loss) profit for the year	(52,662)	(315,085)	36,532	(331,215)

As at 31 March 2017

Assets and liabilities (unaudited)

Segment assets	5,363,220	1,257,540	2,468,524	9,089,284
Investments in associates	-	1,652,242	174,282	1,826,524
Segment liabilities	(6,762)	-	(9,740)	(16,502)
Net assets	5,356,458	2,909,782	2,633,066	10,899,306

**For the three months period ended
31 March 2016 (unaudited)**

Segment revenues	590,900	37,099	15,195	643,194
Cost of sales	(653,693)	-	-	(653,693)
Group's share of profit of associates	-	23,570	22,212	45,782
Depreciation	(857)	(173)	-	(1,030)
Other expenses	(56,337)	(11,521)	-	(67,858)
(Loss) profit for the year	(119,987)	48,975	37,407	(33,605)

As at 31 December 2016 (audited)

Assets and liabilities

Segment assets	5,377,098	1,518,784	2,526,993	9,422,875
Investments in associates	-	1,707,767	114,582	1,822,349
Segment liabilities	(7,668)	-	(7,035)	(14,703)
Net asset	5,369,430	3,226,551	2,634,540	11,230,521