



**UNION LAND
DEVELOPMENT**

**الإتحاد
لتطوير الأراضي**

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نموذج رقم (5-1) Form No. (1-5)	
To: Jordan Securities Commission Amman Stock Exchange Date: 15/5/2017 Ref: 50/2017/gen.1 Subject: Quarterly Report as of 31/3/2017	السادة هيئة الأوراق المالية السادة بورصة عمان التاريخ: - 2017/5/15 الرقم : 50/2017/gen.1 الموضوع: التقرير ربع السنوي كما هي في 2017/3/31
Attached the Quarterly Report of (Union Land Development. P.L.C) in English as of 31/3/2017	مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة (شركة الإتحاد لتطوير الأراضي م.ع.م) باللغة الإنجليزية كما هي بتاريخ 2017/3/31م
Kindly accept our highly appreciation and respect Union Land Development. P.L.C General Manager Signature Muath Mustafa Enayah	وتفضلوا بقبول فائق الاحترام،،، شركة الإتحاد لتطوير الأراضي م.ع.م توقيع المدير العام معاذ مصطفى عنايه



بورصة عمان
الدائرة الإدارية والمالية
الديوان
٥ أيار ٢٠١٧
الرقم التسلسلي: 3075
رقم الملف: 31078
الجهة المختصة به: 211/6/2

**UNION LAND DEVELOPMENT
CORPORATION**
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM CONSOLIDATED FINANCIAL
STATEMENTS AND REVIEW REPORT
FOR THE PERIOD ENDED MARCH 31,
2017**

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW
REPORT**
FOR THE PERIOD ENDED MARCH 31, 2017

INDEX	PAGE
Report on reviewing the interim consolidated financial statements	1
Interim consolidated statement of Financial Position	2
Interim consolidated of Comprehensive Income	3
Interim consolidated statement of Other Comprehensive Income	4
Interim consolidated statement of Owner's equity	5
Interim consolidated Statement of Cash flows	6
Notes to the interim consolidated Financial Statements	7 – 21

REPORT ON REVIEWING THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the president and members of the board of directors
Union Land Development Corporation (P.L.C.)

Introduction

We have reviewed the accompanying Interim Consolidated Statement of Financial Position for Union Land Development Corporation (P.L.C.) as of March 31, 2017, and the related statements of Interim Consolidated Comprehensive income, Other Comprehensive income, Owners' equity and cash flows for the period then ended, The management is responsible of preparing and presenting company's financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. Our review is primarily limited to inquiries of the company's accounting and financial departments personnel as well as applying analytical procedures to financial data .The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards, Accordingly, Getting assurances and confirmations about other important aspects checked through an audit procedure was not achievable, Hence, We don't express an opinion regarding in this regard.

Conclusion

Based on our review, except what was mentioned in basis of qualification above, nothing has come to our attention that causes us to be believe that the accompanying interim consolidated financial statements do not give a true and fair view in accordance with International Accounting Standard No. 34.

Ghosheh & Co.

Abdul Kareem Qunais
License No.(496)



Amman- Jordan
April 26, 2017

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2017 AND DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Note	2017	2016
ASSETS			
Non-Current Assets			
Property and Equipment		3,023,956	3,936,955
Projects under construction		6,905,933	6,903,488
Lands investments		24,672,671	24,672,672
Investment in financial assets designated at fair value through statement of other comprehensive income		2,649,081	3,736,019
Net leased building		18,825,847	18,923,647
Total Non-Current Assets		56,077,488	58,172,781
Current Assets			
Prepaid expenses and other account receivables		431,467	428,869
Accrued revenue		57,002	49,878
Inventory		25,611	28,815
Note receivables, Account receivables and checks under collection	4	7,019,309	4,853,955
Cash and Cash Equivalent		133,892	205,321
Total Current Assets		7,667,281	5,566,838
TOTAL ASSETS		63,744,769	63,739,619
LIABILITIES AND OWNERS' EQUITY			
Owners' Equity			
Shares Capital	1	42,065,129	42,065,129
Issuance premium		4,253,659	4,253,659
Statutory Reserve		1,584,652	1,584,652
Voluntary reserve		1,495,745	1,495,745
General reserve		1,309,287	1,309,287
Fair value reserve		1,097,900	326,326
Retained Earnings		1,678,876	1,551,180
Total Owners' Equity		53,485,248	52,585,978
Non Controlling interest		1,863	1,863
Total owners' equity and Non Controlling interest		53,487,111	52,587,841
Unearned and deferred revenue		1,163,522	1,113,588
Non- current liabilities			
long-term loan		4,525,040	5,154,285
Total non- current liabilities		4,525,040	5,154,285
Current liabilities			
Accrued Expenses and Other Liabilities		1,316,214	1,263,148
Account payables and Deferred checks		1,018,598	1,351,817
Current portion of long-term loans		1,900,000	1,900,000
Banks over draft		334,284	368,940
Total current liabilities		4,569,096	4,883,905
TOTAL LIABILITIES AND OWNERS' EQUITY		63,744,769	63,739,619

The accompanying notes are an integral part of these interim consolidated financial statements

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	For the three months ended March 31, 2017	For the three months ended March 31, 2016
Revenues of operation:		
Aqaba trade center rent revenue	64,063	64,806
Revenues from the sale of lands	-	367,044
Rent revenues	634,070	631,671
Total Revenues of operation	698,133	1,063,521
Substract cost of operation:		
Cost of Aqaba station rent	(16,755)	(20,321)
Cost of land sales	-	(308,072)
Rent cost	(317,484)	(88,833)
Total cost of operation	(334,239)	(417,226)
Gross profit	363,894	646,295
General and administrative expenses	(76,407)	(115,233)
Net activity for Commodore Hotel	(11,689)	(33,837)
Financial charges	(148,102)	(205,876)
Other revenues	-	(36,323)
Profit for the period before income tax	127,696	255,026
Income tax	-	(45,078)
Profit for the period	127,696	209,948
profit for the period due to:		
Equity holder of the parent	127,696	209,948
Non-controlling interest	-	-
	127,696	209,948
Earnings per share:		
Earning per share-JD/Share	0.003	0,005
Weighted average of outstanding shares	42,065,129	42,065,129

The accompanying notes are an integral part of these interim consolidated financial statements

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	For the three months ended March 31, 2017	For the three months ended March 31, 2016
Profit for the period	127,696	209,948
Change in Fair value reserve	<u>771,574</u>	<u>(34,638)</u>
Total comprehensive profit for the period	<u>899,270</u>	<u>175,310</u>
 Income for the period due to:	 899,270	 175,310
Equity holder of the parent	<u>-</u>	<u>-</u>
Non-controlling interest	<u>899,270</u>	<u>175,310</u>

The accompanying notes are an integral part of these interim consolidated financial statements

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM CONSOLIDATED STATEMENT OF OWNER'S EQUITY
FOR THE FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)**

	Share capital	Issuance premium	Statutory reserve	Voluntary reserve	General reserve	Fair value reserve	Retained earnings	Total	Non controlling interest	Total
Balance at January 1, 2017	42,065,129	4,253,659	1,584,652	1,495,745	1,309,287	326,326	1,551,180	52,585,978	1,863	52,587,841
Comprehensive income for the period	-	-	-	-	-	771,574	127,696	899,270	-	899,270
Balance at March 31, 2017	42,065,129	4,253,659	1,584,652	1,495,745	1,309,287	1,097,900	1,678,876	53,485,248	1,863	53,487,111
Balance at January 1, 2016	42,065,129	4,253,659	1,584,652	1,495,745	1,309,287	660,578	1,652,362	53,021,412	1,863	53,023,275
Comprehensive income for the period	-	-	-	-	-	(34,638)	209,948	175,310	-	175,310
Balance at March 31, 2016	42,065,129	4,253,659	1,584,652	1,495,745	1,309,287	625,940	1,862,310	53,196,722	1,863	53,198,585

The accompanying notes are an integral part of these interim consolidated financial statements

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	For the three months ended March 31, 2017	For the three months ended March 31, 2016
OPERATING ACTIVITIES		
Profit for the period before income tax	127,696	255,026
Adjustments for Profit for the period before income tax:		
Depreciation	116,729	117,135
Financial charges	148,102	205,876
Changes in operating assets and liabilities:		
Note, Account receivables and checks under collection	(2,165,354)	(120,222)
Accrued revenue	(7,124)	1,325
Inventory	3,204	1,552
Prepaid expenses and other account receivables	(2,598)	2,178
Accounts Payable and Deferred checks	(333,219)	(52,994)
Accrued Expenses and Other liabilities	53,066	87,806
Unearned and deferred revenue	49,934	(598,533)
Cash used in operating activities	(2,009,564)	(100,851)
Financial charges paid	(148,102)	(205,876)
Net cash used in operating activities	(2,157,666)	(306,727)
INVESTING ACTIVITIES		
Proceeds of selling of lands investments	-	294,571
Projects under construction	(2,445)	(54,801)
Property and equipment	894,070	85,241
Net leased building	-	(56,493)
Change of financial assets designated at fair value through other comprehensive income	1,858,512	-
Net cash available from investing activities	2,750,137	268,518
FINANCING ACTIVITIES		
Payments for banks overdraft	(34,656)	(30,828)
Loans	(629,244)	70,418
Net cash (used in)\ available from financing activities	(663,900)	39,590
Net change in cash and cash equivalents	(71,429)	1,381
Cash and cash equivalents, January 1	205,321	7,367
CASH AND CASH EQUIVALENTS, MARCH 31	133,892	8,748

The accompanying notes are an integral part of these interim consolidated financial statements

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

1. ESTABLISHMENT AND ACTIVITIES

Union Land Development Corporation ("the Company") is a Jordanian Public Shareholding Company registered on August 1, 1995 under commercial registration number (288), the company's share capital is JD 42,065,129 divided into 42,065,129 shares with a par value of JD 1 per share.

The Company was registered as an institution in the Aqaba Special Economic Zone Authority under registration NO. (1101032808) on March 28, 2001, and that accompanying consolidated financial statements include the results of operations assets and liabilities of the institution

The main activity of the company is to establish and manage tourism enterprises and invest its funds in stocks, bonds, real estate and land development as well as create, own, operate, manage and Invest in hotels.

The consolidated financial statements as of March 31, 2017 include the Company's financial statements and the financial statements of the subsidiaries that follow:

Subsidiary Company	Percentage of Equity and votes	Registration year	Place of registration	Main activity
Al-Nibal Housing	100%	2004	Hashemite Kingdom of Jordan	Owning land, building apartments and selling them without any interest
Paradise for Construction Contracting	100%	2006	Hashemite Kingdom of Jordan	Implementation of construction projects that belong to the company
Adam for Real Estate Investments	100%	2004	Hashemite Kingdom of Jordan	Real estate investments

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

<u>Subsidiary Company</u>	<u>Percentage of Equity and votes</u>	<u>Registration year</u>	<u>Place of registration</u>	<u>Main activity</u>
Paradise for Architecture Industries	100%	2008	Hashemite Kingdom of Jordan	Manufacture, trade and installation of aluminum doors ,windows and interior decoration
Al-Amiri for Real Estate Investments	100%	2011	Hashemite Kingdom of Jordan	Land ownership, development, investment and Secrected
Al-Almahalh for Real Estate Investments	100%	2011	Hashemite Kingdom of Jordan	Land ownership, development, investment and Secrected
Al-Fret for Real Estate Investments	100%	2011	Hashemite Kingdom of Jordan	Land ownership, development, investment and Secrected
Al-Ghizlaniyah for real Estate Investments	100%	2011	Hashemite Kingdom of Jordan	Land ownership, development, investment and Secrected
Daba'a for Real Estate Investments	100%	2011	Hashemite Kingdom of Jordan	Land ownership, development, investment and Secrected
Theeban for real Estate Investments	100%	2010	Hashemite Kingdom of Jordan	Lands ownership for implementing the company's goals, and building housing projects and purchasing lands and construct commercial complexes on them and selling them without any interest
Al-Tajmo'at Real Estate	97.5%	2003	Hashemite Kingdom of Jordan	Managing and establishing commercial complexes

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

As of March 31, 2017 the company's share in its subsidiaries business results was loss by JD (127,035) As of December 31, 2016: 27,755JD determined by the equity method as follows :

	2017	2016
The Company's share of Al-Nibal Housing business results	(126,966)	20,966
The Company's share of Paradise for Construction Contracting business results	(69)	(162)
The Company's share of Adam for Real Estate Investments business results	-	-
The Company's share of Theeban for Real Estate Investments business results	-	-
The Company's share of Paradise for architecture Industries business results	-	-
The Company's share of Al-Amiri for Real Estate Investments business results	-	-
The Company's share of Al-Almahalh for Real Estate Investments business results	-	-
The Company's share of Al-Fret for Real Estate Investments business results	-	-
The Company's share of Al-Ghizlaniyah for Real Estate Investments business results	-	-
The Company's share of Daba'a for Real Estate Investments business results	-	6,951
The Company's share of Al-Tajmo'at Real Estate business results	-	-
	<u>(127,035)</u>	<u>27,755</u>

As of March 31, 2017 the company's share in its subsidiaries business results was 17,745,591 JD (2016: 17,872,626) determined by the equity method as follows :

	2017	2016
The book value of investment in Al-Nibal Housing	5,820,474	5,947,440
The book value of investment in Paradise for Construction Contracting	478,548	478,617
The book value of investment in Adam for Real Estate Investments	5,844,286	5,844,286
The book value of investment in Theeban for Real Estate Investments	(43,108)	(43,108)
The book value of investment in Paradise for architecture Industries	1,658	1,658
The book value of investment in Al-Amiri for Real Estate Investments	441	441
The book value of investment in Al-Almahalh for Real Estate Investments	466	466
The book value of investment in Al-Fret for Real Estate Investments	465	465
The book value of investment in Al-Ghizlaniyah for Real Estate Investments	466	466
The book value of investment in Daba'a for Real Estate Investments	(57,715)	(57,715)
The book value of investment in Al-Tajmo'at Real Estate	5,699,610	5,699,610
	<u>17,745,591</u>	<u>17,872,626</u>

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

As of March 31, 2017 and December 31, the summary of the total assets, liabilities, revenues and income of the Company's direct subsidiaries and the significant assets and liabilities are as follows:

A- Al-Nibal Housing L.T.D

	2017	2016
Total assets	6,674,075	6,813,206
Total liabilities	853,601	865,766
Total owners' equity	5,820,474	5,947,440
Total revenues	53,406	211,434
(Loss) for the period \ profit for the year	(126,966)	20,966
Net leased buildings	982,002	982,002
Property and equipment	96,273	104,811
Due from related parties	5,547,069	5,674,398
Share capital	30,000	30,000

B- Paradise for Construction Contracting L.T.D

	2017	2016
Total assets	709,242	709,242
Total liabilities	230,694	230,625
Total owners' equity	478,548	478,617
Loss for the period \ year	(69)	(162)
Share capital	50,000	50,000

C- Al-Tajmo'at Real Estate

	2017	2016
Total assets	6,541,411	6,541,411
Total liabilities	6,466,893	6,466,893
Total owners' equity	74,518	74,518
Lands investments	6,537,457	6,537,457
Share capital	150,000	150,000

D- Adam for Real Estate Investments L.T.D

	2017	2016
Total assets	1,597,520	1,597,520
Total liabilities	434,748	434,748
Total owners' equity	1,162,772	1,162,772
Lands investments	1,596,520	1,596,520
Share capital	30,000	30,000

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

E-Theeban for Real Estate Investments L.T.D

	2017	2016
Total assets	470	470
Total liabilities	43,578	43,578
Total owners' equity	(43,108)	(43,108)
Share capital	30,000	30,000

F- Paradise for Architecture Industries L.T.D

	2017	2016
Total assets	1,658	1,658
Total owners' equity	1,658	1,658
Share capital	100,000	100,000

G- Al-Amiri for Real Estate Investments

	2017	2016
Total assets	441	441
Total owners' equity	441	441

H- Al-Mahla for Real Estate Investments

	2017	2016
Total assets	466	466
Total owners' equity	466	466

I- Al-fret for Real Estate Investments

	2017	2016
Total assets	648,381	648,381
Total liabilities	647,916	647,916
Total owners' equity	465	465
Lands and real estate investments	648,381	648,381
Share capital	1,000	1,000

J- Al-Ghizlaniyah for Real Estate Investments

	2017	2016
Total assets	466	466
Total owners' equity	466	466
Share capital	1,000	1,000

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

K- Daba'a for Real Estate Investments

	<u>2017</u>	<u>2016</u>
Total assets	140,622	131,749
Total liabilities	198,337	189,464
Total owners' equity	(57,715)	(57,715)
Profit for the period/ for the year	-	6,951
Lands and real estate investment	124,716	124,716
Share capital	1000	1000

The Company's head quarter and subsidiaries are in Amman.

2. NEW AND REVISED STANDARDS AND AMENDMENTS TO IFRSs IN ISSUE BUT NOT YET EFFECTIVE:-

The following new standards and amendments to the standards have been issued but are not yet effective and the Company intends to adopt these standards, where applicable, when they become effective.

<u>New Standards</u>	<u>Effective Date</u>
(IFRS) No.9 – Financial Instruments	January 1,2018
(IFRS) No.15 – Revenue from Contract with Customers	January 1,2018
(IFRS) No.16 – Leases	January 1,2019

Board of Directors anticipates that the adoption of these IFRSs in future periods is not likely to have a material impact on the consolidated financial statements of the Company.

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The interim consolidated financial statement is presented in Jordanian Dinar, since that is the currency in which the majority of the Company's transactions are denominated.

The interim financial statements have been prepared on historical cost basis.

The interim statement do not include all the information and notes needed in the annual financial statement and must be reviewed with the ended financial statement at December 31, 2016, in addition to that the result for the three months ended in March 31, 2017 is not necessarily to be the expected results for the financial year ended December 31, 2017.

Significant accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the audited financial statements for the period ended 31 December 2016.

Basis of consolidating interim financial statements

The consolidated financial statements incorporate the financial statements of Union Land Development Corporation (P.L.C.) and the subsidiaries controlled by the Company.

Control is achieved where the Company:

- Ability to exert power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- Ability to exert power over the investee to affect the amount of the investor's returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries above.

When the Company has less than a majority of the voting, The Company shall have control over the investee when the voting rights sufficient to give it the ability to direct relevant activities of the investee individually.

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

When The Company reassesses whether or not it controls an investee, it consider all the relevant facts and circumstances which includes:

- Size of the holding relative to the size and dispersion of other vote holders
- Potential voting rights, others vote-holders, and Other parties
- Other contractual rights
- Any additional facts and circumstances may indicate that the company has, or does not have, the current ability to direct the activities related to the time needed to make decisions, including how to vote at previous shareholders meetings.

The consolidation process begins when the company's achieve control on the investee enterprise (subsidiary), while that process stops when the company's loses control of the investee (subsidiary), In particular Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement, and the consolidated comprehensive income statement from the effective date of acquisition and up to the effective date of which it loses control of a subsidiary Company.

The profit or loss and each component of other comprehensive income elements distributed on the company's owners and owners of non-controlling interests, total comprehensive income for the subsidiary distributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balances.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the parent Company.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Revenue Recognition

Revenues from the sale of real estate are realized at the signing of an agreement of sale with the buyer and When waiving of the real estate for the benefit of the buyer to the land and Survey Department.

Rental units leased income is recognized on the basis of the contract period for those rental units.

Revenue from hotels are realized when services are rendered to customers and when issuing the invoice and are stated in net after discount.

Revenue of contracting between subsidiaries of the Group companies is realized on the basis of the contract ended, and revenue of contracting for other companies is realized on the basis of percentage of completion.

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

Expenses

Selling and marketing expenses principally comprise of costs incurred in the distribution and sale of the Company's products, all other expenses are classified as general and administrative expenses,

General and administrative expenses include direct and indirect costs which are not specifically part of production costs as required under Generally Accepted Accounting principles, Allocations between general and administrative expenses and cost of sales are made on a consistent basis when required.

Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, and highly liquid investments with original maturities of three months or less.

Accounts receivable

Account receivable are stated at invoice amount less any provision for doubtful and a provision for doubtful debts is taken when there is an indication that the receivable may not be collected, and are written off in the same period when there is impossible recovery of them.

Inventory

The goods are priced at cost price based on the weighted average method.

Investment in securities

The investment in the owned companies within an amount no less than %20, and the company possesses a significant influence through equity in which investment are stated at cost and adjusted afterwards regarding the changes of the company's shares in the assets of the company invested in according to the last financial statement it is referred to as subsidiaries (%50) or associate (%20-50). The company's share of the profits or losses are reported in consolidated statement of comprehensive income.

Revenues are recognised when dividends are declared.

Lands investments

Investments in land and real estate are stated at cost. International Accounting Standard N.O (40) States that investments in lands should be stated at their cost or at fair value whichever more clearly determinable. The Company chose recording it's their investments in lands at their cost in accordance with the Accounting principles and Standards.

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

Financial assets specified at fair value through statement of other comprehensive income:

Specific financial assets at fair value through statement of other comprehensive income are non-derivative financial assets, the purpose of the acquisition is to keep them as available for sale until the date of maturity, not for trading.

Differences in the change in fair value of financial assets specified at fair value through other comprehensive income statement are recorded in other comprehensive income statement. Financial assets specified at fair value through statement of other comprehensive income that is have a market prices stated at fair value after deducting any accumulated Impairment losses in its fair value. Financial assets specified at fair value through statement of other comprehensive income that is do not have a market prices and cannot determine the fair value stated at cost and any Decline in its value recorded in other comprehensive income statement. Profits and losses resulting from differences of foreign currency translation for the debt instruments are recorded within the financial assets specified at fair value through other comprehensive income statement in the statement of other comprehensive income.

while differences from foreign currency translation for the debt instruments are recorded in the accumulated change in fair value in owners' equity.

Investment in real estate

The leased buildings appear at cost after deducting of accumulated depreciation and provision impairment. Depreciation is calculated based on the estimated useful lives at an annual rate of between 2% to 4% annually using the straight-line method.

Projects under construction

Projects under construction are stated at cost, and borrowing costs are capitalized on withdrawals from loans to finance these projects.

The Decline in value of the financial assets

In date of each interim consolidated statement of financial position, values of the financial assets have been reviewed, to determine if there indication to decline in its value.

As for the financial assets such as trade accounts receivable and assets was evaluated as individual low-value, were evaluated for the decline in the value on a collective basis, The substantive evidence for decline in portfolio of the accounts receivable includes the past experience about the collection of payments, And the increase in the number of the late payments portfolio (which it's beyond the rate of borrowing) also it includes the significant changes in the international and local economic conditions that are related with non-collection of accounts payable.

The Reduce in the listed value of the financial assets is the amount of loss decline of value directly, And this is for all the financial assets except the trade accounts receivable as the listed value had been reduced by provisions accounts, When is one of the accounts receivables are non-collected then write off the amount of this debt and the equal amount from account of provisions.

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

The changes in the listed value for the provisions account recognized in the interim consolidated statement of comprehensive income.

As for the ownership equity tools which are available for sale, decline losses are not closed in the recognized value in the interim consolidated comprehensive income statement, However any increase in the fair value become after decline loss has recognized directly in interim consolidated owner's equity statement.

De-Recognition

The Company cancels the recognition of financial assets only when the contractual rights about receipt of cash flows from the financial assets had ended, and substantially all the risks and benefits of the ownership to another firm. In the case of the company doesn't transfer or retain substantially risks or benefits of the ownership and continue in control of the transferred assets, the company in this case recognize it's retained share in the transferred assets and the related liabilities in the limits of the amounts expected to be paid. In the other case, when the company retained substantially all risks and benefits of ownership of the transferred assets, the company will continue to recognize the financial assets.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed, while expenditure for betterment is capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight line method. The estimated rates of depreciation of the principal classes of assets are as follows:

	Annual depreciation rate
Buildings and Hangers	% 2
Furniture and fixture	% 12 - 9
Machinery and equipment	% 15 - 12
Computers	% 15
Heating and cooling	% 10
Telephones and switchboards	% 15
Sound and music system	% 10
Decorations	% 20 – 10
Vehicles	% 15
Renovations and improvements	%25 - 9

Useful lives and the depreciation method are reviewed periodically to make sure that the method and amortization period appropriate with the expected economic benefits of property and equipment.

In case of any indication to the low value, Impairment losses are calculated according to the policy of the low value of the assets.

At the exclusion of any subsequent property and equipment, recognize the value of gains or losses resulting, Which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the interim consolidated Statement of Financial Position, Gross Profit and loss.

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

The decline in value of the non-current assets

The decline in value of the non-current assets, in the date of each interim consolidated statement of financial position the Company review the listed values for its assets to specify if there is an indication to be decline losses of the value, If there indication to that, the recovery value of the asset will be appreciated to determine the loss of decline in the value if it be, In case, in ability to appreciate the recovery value of specific asset, The company estimate the recovery value for unit producing of cash that related in the same asset ,when there is ability to determine baies of distribution that is fixed and reasonable, the joint assets distribute to units producing of cash that related in the same asset, the joint assets distribute to specific units producing of cash or it distribute to specific units producing of cash or it distribute to smallest group from units producing cash that it able to determine basic of distribution fixed and reasonable for it, The Recovery value is the fair value of asset minus the cost of sale or used value whichever is higher.

In case, the recovery value (or the unit producing of cash) distribute lower than the listed value, reduce the listed value for asset (or unit producing of cash) to the recovery value, Losses of the decline recognize directly in the comprehensive income statement except the asset that is re-evolution then record losses of the decline as reduction from re-evaluation provision.

Accounts payable and accrual

Accounts payable are stated at the obligation amounts for received services and goods, whether billed by the suppliers or not.

Provisions

The provision had been formed, when the company has a present obligation (legal or expected) from past events which its cost of repayment consider accepted and it has ability to estimate it reliably.

The provision had been measured according the best expectations of the required alternative to meet the obligation as of the consolidated statement of financial position date after considering the risks and not assured matters about the obligation, When the provision had been measured with the estimated cash flows to pay the present obligation, then the accounts receivable had been recognized as asset in case of receipt and replacement of the amount is certain and it able to measure the amount reliably.

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

Use of estimates

Preparation of the consolidated financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities, and disclosures relating to contingent liabilities. These estimates and judgments also affect revenues, expenses, provisions and changes in the fair value shown within comprehensive income. In particular, management is required to issue significant judgments to assess future cash flows and their timing. The above –mentioned estimates are based on several assumptions and factors with varying degrees of estimation and uncertainty.

Moreover, the actual results may differ from the estimates due to changes resulting from the circumstances and situations of those estimates in the future.

We believe that the estimates within the financial statements are reasonable, and the details are as follows:

The Company allocates provision for the cases upload against it depending on the estimate of the Company's lawyer.

The Company allocates provision for doubtful debt after studying the ability of debt collection.

impairment loss of investments in land are recognized, if found, depending on the modern real estate assessments supported by the estimator and / or dependent estimators for the purposes of proving impairment loss and the impairment reconsidered on a regular basis.

The management regularly reviews financial assets stated at cost to estimate any impairment in value and are taking this decline in the interim consolidated statement of income for the period.

Management periodically evaluates the productive lives of tangible assets for the purpose of calculating annual depreciation based on the general condition of those assets and the estimates of their expected productive lives in the future. Any impairment loss is taken to the interim consolidated statement of income.

The scrotal information

The business sector represents a collection of assets and operation engaged together in providing product or services subjected to risks and returns that are different from those of other business sectors, which are measured according to the reports that are used by the executive director and the main decision – makers in the Company.

Geographical segment is engaged in providing products subject to the risks and rewards of a particular economic environment different from those of segments operating in other economic environments.

Offsetting

Financial assets and financial liabilities are only offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

Income tax

The company is subject to Income Tax Law and its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom Of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income, According to International Accounting Standard number (12), the company may have deferred taxable assets resulting from the differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the interim consolidated financial statements since it's immaterial.

Treasury stock

Treasury stock is reported as a separate item deducted from owners equity and does not have that right to the distributed dividends to the shareholders, and also does not have the right to vote in the general Assembly meetings of the Company, and is reported at acquisition cost.

Foreign currency translation

Foreign currency transactions are translated into Jordanian Dinar at the rates of exchange prevailing at the time of the transactions, Monetary assets and liabilities denominated in foreign currencies at the periodic financial position date are translated at the exchange rates prevailing at that date, Gains and losses from settlement and translation of foreign currency transactions are included in the interim consolidated comprehensive income statement.

4. ACCOUNT RECEIVABLES, NOTES RECEIVABLES AND CHECKS UNDER COLLECTION

This item includes clinics lands of Plot No. 86 , 45 basin (2) Um Al Amed, registered under the name Commercial Bank of investments in the lands of the receivables, amounting to cost 2,784,399 JD so that land is not registered on behalf of the company and there are non-isolated agencies on behalf of members of the Board they are former administrations MRs. Essam and Rajai Salfiti as the agencies granted to them are expired this And that the land indigenous owners (the people who owned the land before the Commercial Bank) have sued the Commercial Bank by revoking the sale of land procedures and they demand to retrieve it According to that, the Commercial Bank was declined to renew the agency for another year. The company proceeded with a lawsuit to recover the value of land.

5. FINANCIAL INSTRUMENTS

Management of Share Capital Risks

The Company manages its capital to make sure that the Company will continue when it takes the highest return by the best limit for debts and shareholder's equity balances. The Company's strategy doesn't change from 2016.

Structuring of Company's capital includes debts, which includes the disclosed borrowings in, and the shareholders equity in the Company which includes Common stock, additional paid in capital, reserves, Accumulated change in fair value, proposed dividends and retained earnings as it listed in the changes in the interim owner's equity statement.

UNION LAND DEVELOPMENT CORPORATION
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

The management of the financial risks

The Company's activities might be exposing mainly to the followed financial risks:

Management of the foreign currencies risks

The company doesn't exposed to significant risks related with the foreign currencies changing, so there is no need to effective management for this exposed.

Management of the interest price risks

Risk related to interest rate result mainly from borrowing money at varying interest rates and short term deposits at fixed interest rates.

Sensitivity of the statement of comprehensive income is the impact of the assumed changes possible prices of interest on the profit of the Company for one year and it is calculated based on the financial liabilities which carry variable interest rates at the end of the year.

Other prices risks

The Company expose to price risks resulting from its investments in owners' equity to other companies. The Company keeps investments in other company's owner's equity for strategic purposes and not for trading purposes.

Credit risk management

The credit risks represent in one part of the financial instruments contracts has not obligated to pay the contractual obligations and cause of that the Company is exposing financial losses, However, there are no any contracts with any other parts so the Company doesn't expose to different types of the credit risks, The significant credit exposed for any parts or group of parts that have a similar specification. The Company classified the parts which have similar specifications as a related parties. Except the amounts which are related in the cash money. The credits risks that are resulting from the cash money are specific because the parts that are dealing with it are local banks have good reputations and have been controlled from control parties.

The amounts had listed in the financial statements data represents the highest credit risk expose to the trade accounts receivable and to the cash and cash equivalent.

Management of liquidity risks

Board of directors is responsible for management of liquidity risks to manage the cash requirements, short, medium and long term liquidity. The Company managed the liquidity risks through controlling the future cash flow that evaluated permanently and correspond the due dates of assets and liabilities.

6. APPROVAL OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The interim consolidated financial statements were approved by the Board of Directors and authorized for issuance on April 26, 2017.