



عمان في: ٢٠١٧/٥/١٥

الرقم: ٢٤٥/٣

السادة بورصة عمان المحترمين  
عمان

تحية طيبة وبعد ،

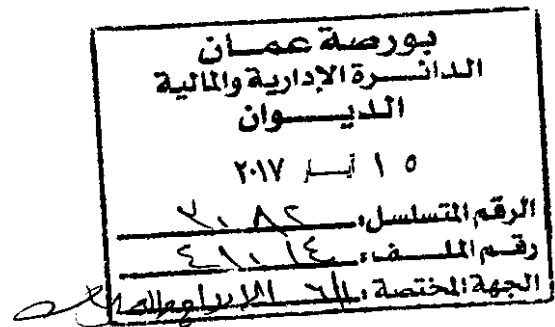
إشارة الى تعميم السادة هيئة الأوراق المالية رقم س ب / ١٧/١٩٧/١/١٢ تاريخ ٢٠١٧/١/٢٥  
نرفق طيه نسخة من البيانات المالية الربع سنوية باللغة الإنجليزية وذلك كما في تاريخ ٢٠١٧/٣/٣١ .

وتفضلوا بقبول فائق الاحترام ،،،،،

سمير علمات

المدير العام

شركة مصانع الاجواخ الأردنية  
المساهمة العامة المحدودة  
عمان - الاردن



JORDAN WORSTED MILLS COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
RUSAIFEH -THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED CONDENSED  
INTERIM FINANCIAL INFORMATION  
FOR THE THREE-MONTH PERIOD  
ENDED MARCH 31, 2017 TOGETHER  
WITH THE REVIEW REPORT ON  
INTERIM FINANCIAL INFORMATION

JORDAN WORSTED MILLS COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
RUSAIFEH-THE HASHEMITE KINGDOM OF JORDAN  
MARCH 31, 2017

TABLE OF CONTENTS

	<u>Page</u>
Report on Reviewed Consolidated Condensed Interim Financial Information	1
Consolidated Condensed Interim Statement of Financial Position	2
Consolidated Condensed Interim Statement of Income	3
Consolidated Condensed Interim Statement of Comprehensive Income	4
Consolidated Condensed Interim Statement of Changes in Owners' Equity	5
Consolidated Condensed Interim Statement of Cash Flows	6
Notes to the Consolidated Condensed Interim Financial Statements	7 - 15

## Report on Reviewed Consolidated Condensed Interim Financial Information

AM/3664

To the Chairman and Board of Directors Members of  
Jordan Worsted Mills Company  
(A Public Shareholding Limited Company)  
Rusaifeh - The Hashemite Kingdom of Jordan

### **Introduction**

We have reviewed the accompanying consolidated condensed interim statement of financial position of Jordan Worsted Mills Company (A Public Shareholding Limited Company) as of March 31, 2017, and the related consolidated condensed interim statements of income and comprehensive income, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this consolidated condensed interim financial information in accordance with International Accounting Standard No. (34) relating to Interim Financial Reporting. Our responsibility is to express a conclusion on this consolidated condensed interim financial information 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 consolidated condensed interim financial information consists of making inquiries, primarily of persons responsible for 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 the accompanying consolidated condensed interim financial information are not prepared in accordance with International Accounting Standard No. (34) relating to Interim Financial Reporting.

### **Explanatory Paragraphs**

1. The Company's financial year ends on December 31 of each year. However, the consolidated condensed interim financial information have been prepared only for the Purposes of management and the Jordan Securities Commission.
2. The accompanying consolidated condensed interim financial information are a translation of the statutory financial statements in the Arabic language to which reference should be made.

Amman - The Hashemite Kingdom of Jordan  
April 23, 2017

  
Deloitte & Touche (M.E.) - Jordan

**Deloitte & Touche (M.E.)**  
Public Accountants  
Amman - Jordan

**JORDAN WORSTED MILLS COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**RUSAIFEH - THE HASHEMITE KINGDOM OF JORDAN**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

	Note	March 31, 2017 (Reviewed not Audited)	December 31, 2016
<b><u>ASSETS</u></b>			
Cash on hand and at banks	5	195,106	1,865,060
Financial assets at fair value through statement of income	6	3,344,717	3,036,375
Accrued dividends		646,446	-
Accounts receivable and other debt balances		384,255	405,803
Military and security receivables		5,506,700	4,096,080
Finished goods- Net		3,420,410	3,699,936
Goods under process		485,741	507,867
Yarn		3,082,053	3,138,731
Spare parts- Net		349,020	374,316
Goods in transit		149,889	143,056
<b>Total Current Assets</b>		<b>17,564,337</b>	<b>17,267,224</b>
Financial assets at fair value through comprehensive income	7	58,931,403	56,047,384
Financial assets at amortized cost	8	1,500,000	-
Investment in affiliate company	9	1,428,480	1,428,480
<b>Total Investments</b>		<b>61,859,883</b>	<b>57,475,864</b>
Fixed Assets:		85,404	85,404
Land at cost		5,252,138	5,180,768
Fixed assets at cost		(4,957,003)	(4,986,503)
(Less): Accumulated depreciation		295,135	194,265
<b>Net Fixed Assets Excluding Lands</b>		<b>380,539</b>	<b>279,669</b>
<b>Total Fixed Assets</b>		<b>79,804,759</b>	<b>75,022,757</b>
<b>Total Assets</b>		<b>79,804,759</b>	<b>75,022,757</b>
<b><u>LIABILITIES</u></b>			
Due to banks	10	140,642	432,345
Payables and other credit balances	11	4,863,018	641,083
Short-term loans	12	757,571	-
Income tax provision	17	314,275	271,905
<b>Total Current Liabilities</b>		<b>6,075,506</b>	<b>1,345,333</b>
End-of service indemnity provision		1,060,174	1,054,424
<b>Total Liabilities</b>		<b>7,135,680</b>	<b>2,399,757</b>
<b><u>OWNERS' EQUITY</u></b>			
Paid-up capital		15,000,000	15,000,000
Additional paid-in capital		50,000	50,000
Statutory reserve		12,532,243	12,532,243
Voluntary reserve		10,000,000	10,000,000
Special reserve		7,333,000	7,333,000
Yarn rising prices reserve		2,000,000	2,000,000
Investment revaluation reserve		10,523,067	8,099,525
Retained earnings	13	8,980,986	12,715,333
Profit for the period		1,527,675	-
<b>Total Shareholders' Equity</b>		<b>67,946,971</b>	<b>67,730,101</b>
Non-controlling interests	14	4,722,108	4,892,899
<b>Total Owners' Equity</b>		<b>72,669,079</b>	<b>72,623,000</b>
<b>Total Liabilities and Owners' Equity</b>		<b>79,804,759</b>	<b>75,022,757</b>
<u>Chairman of Board of Directors</u>			<u>General Manager</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THIS CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH IT AND WITH THE ACCOMPANYING REVIEW REPORT.

**JORDAN WORSTED MILLS COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**RUSAIFEH - THE HASHEMITE KINGDOM OF JORDAN**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF INCOME**  
(Reviewed not Audited)

	Note	For the three- Month Period	
		Ended March 31,	
		2017	2016
		JD	JD
Net sales		2,557,451	2,918,534
Cost of Sales:			
Finished goods-Beginning of the period		3,949,936	3,681,036
Cost of production		1,035,752	1,091,660
Cost of goods available for sale		4,985,688	4,772,696
<u>Less:</u> Finished goods-End of the period		(3,670,410)	(3,295,397)
Cost of sales		1,315,278	1,477,299
Gross profit		1,242,173	1,441,235
Selling and distribution expenses		18,095	22,858
Profit from sales		1,224,078	1,418,377
General and administrative expenses		390,287	493,900
Operating Income		833,791	924,477
Net gain (loss) on financial assets at fair value through statement of income	15	446,076	(139,494)
Dividends revenue from financial assets at fair value through comprehensive income		493,117	1,026,270
Returns from financial assets at amortized cost		15,595	-
Other net income	16	78,961	271,344
Profit for the period before income tax		1,867,540	2,082,597
Income tax provision	17	(149,200)	(170,000)
Profit for the Period		1,718,340	1,912,597
Attributable to:			
Shareholders		1,527,675	1,690,333
Non-controlling interests	14	190,665	222,264
		1,718,340	1,912,597
Earnings per share for the period attributable to shareholders	18	-\102	-/112
<u>Chairman of Board of Directors</u>			<u>General Manager</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART  
OF THIS CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION  
AND SHOULD BE READ WITH IT AND WITH THE ACCOMPANYING REVIEW REPORT.

**JORDAN WORSTED MILLS COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**RUSAIFEH - THE HASHEMITE KINGDOM OF JORDAN**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
(Reviewed not Audited)

	Note	For the three- Month Period Ended March, 31	
		2017	2016
Profit for the period		1,718,340	1,912,597
Other comprehensive income items:			
Items not subsequently transferable to the income Statement:			
Changes in investment revaluation reserve		2,562,348	355,131
Gain from sale of financial assets at fair value through Comprehensive income		15,391	-
<b>Total Comprehensive Income</b>		<b>4,296,079</b>	<b>2,267,728</b>
Total comprehensive income is attributable to :			
Shareholders		3,966,870	1,986,064
Non-controlling interests		329,209	281,664
		<b>4,296,079</b>	<b>2,267,728</b>

Chairman of Board of Directors

General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART  
OF THIS CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION  
AND SHOULD BE READ WITH IT AND WITH THE ACCOMPANYING REVIEW REPORT.

JORDAN WORSTED MILLS COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

BUSAIFEH - THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY

(Reviewed not Audited)

Note	Shareholders' Equity													Non-controlling		Total Equity	
	Paid - up Capital	Additional Paid-In Capital	Statutory Reserve	Voluntary Reserve	Special Reserve	Yarn Fishing Prices Reserve	Investment Valuation Reserve	Retained Earnings*	Profit for the Period		Total	Interests		Total Equity			
									JD	JD		JD	JD		JD	JD	JD
	15,000,000	50,000	12,532,243	10,000,000	2,333,000	2,000,000	8,099,525	12,715,333	-	67,730,101	4,892,899	4,892,899	73,623,000				
Balance - beginning of the period	-	-	-	-	-	-	-	-	1,527,675	1,527,675	190,665	190,665	1,718,340				
Profit for the period	-	-	-	-	2,423,542	-	2,423,542	-	-	-	2,423,542	138,806	2,562,348				
Change in investment revaluation reserve	-	-	-	-	-	-	-	15,653	-	15,653	(262)	(262)	15,391				
Gain from sale of financial assets at fair value through comprehensive income	-	-	-	-	2,423,542	-	2,423,542	15,653	1,527,675	3,966,870	329,209	329,209	4,296,079				
Total Comprehensive Income	-	-	-	-	-	-	(3,750,000)	(3,750,000)	-	(3,750,000)	(500,000)	(500,000)	(4,250,000)				
Dividends**	15,000,000	50,000	12,532,243	10,000,000	2,333,000	2,000,000	10,523,067	8,980,986	1,527,675	67,946,971	4,722,108	4,722,108	72,669,079				
Balance - End of the Year	-	-	-	-	-	-	-	-	-	-	-	-	-				
	15,000,000	50,000	12,532,243	10,000,000	2,333,000	1,950,000	8,844,545	13,343,239	-	68,953,027	4,804,807	4,804,807	73,757,834				
Balance - beginning of the period	-	-	-	-	-	-	-	-	1,690,333	1,690,333	222,264	222,264	1,912,597				
Profit for the period	-	-	-	-	-	295,731	295,731	-	-	-	59,400	59,400	355,131				
Change in investment revaluation reserve	-	-	-	-	-	-	795,731	-	1,690,333	1,986,064	781,664	781,664	2,267,728				
Total Comprehensive Income	-	-	-	-	-	-	(3,750,000)	(3,750,000)	-	(3,750,000)	(500,000)	(500,000)	(4,250,000)				
Dividends**	15,000,000	50,000	12,532,243	10,000,000	2,333,000	1,950,000	9,140,276	9,593,239	1,690,333	67,189,091	4,586,471	4,586,471	71,775,562				
Balance - End of the Year	-	-	-	-	-	-	-	-	-	-	-	-	-				

\* Retained earnings includes JD 1,343,922 as of March 31, 2017, representing unrealized earnings restricted as per the Jordan Securities Commission's Instructions (JD 1,343,922 as of December 31, 2016) against the cumulative change in fair value transferred to retained earnings as a result of applying International Financial Reporting Standard No. (9).

\*\* According to the resolution of the General Assembly convened on March 27, 2017, the Board of Directors' resolution was approved to distribute 25% of capital as cash dividends to shareholders, i.e. JD 3,750 thousand (JD 3,750 thousand for the year 2015).

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THIS CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND SHOULD BE READ WITH IT AND WITH THE ACCOMPANYING REVIEW REPORT.



**JORDAN WORSTED MILLS COMPANY**  
**(A PUBLICSHAREHOLDING LIMITED COMPANY)**  
**RUSAIFEH - THE HASHEMITE KINGDOM OF JORDAN**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**(REVIEWED NOT AUDITED)**

	Note	For the Three-month Period Ended March 31,	
		2017	2016
		JD	JD
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		1,867,540	2,082,597
Profit for the period before income tax			
Adjustments for:		27,900	34,551
Depreciation of fixed assets			
(Gains) from sale of lands and fixed assets	16	(21,000)	(247,491)
(Recovered) from accrued expenses	16	(64,000)	-
(Gains) losses from revaluation of financial assets at fair value through statement of income	15	(308,342)	255,029
Dividends revenue from financial assets at fair value through comprehensive income		(493,117)	(1,026,270)
End-of-service indemnity provision		5,750	10,800
Cash Flows from Operating Activities before Changes in Working Capital items		1,014,731	1,109,216
(Increase) decrease in current assets:		(646,446)	(1,141,805)
Accrued dividends revenue		21,548	(62,049)
Accounts receivable and other debit balances		(1,410,620)	(1,013,973)
Military and security receivables		279,526	385,639
Finished goods		22,126	(62,352)
Goods under process		56,678	(78,175)
Yarn		(6,833)	276,749
Goods in transit		25,296	(10,045)
Spare parts			
Increase (decrease) in current liabilities:		35,935	(154,528)
Payables and other credit balances			
Net Cash Flows (used in) Operating Activities before Income tax Paid		(608,059)	(751,323)
Income tax paid	17	(106,830)	(134,004)
Net Cash Flows (Used in) Operating Activities		(714,889)	(885,327)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Financial assets at fair value through comprehensive income	9	(306,280)	-
(Purchase) of financial assets at amortized cost		(1,500,000)	-
Returns from financial assets at fair value through comprehensive income		493,117	1,026,270
(Purchase) of fixed assets		(128,770)	(2,768)
Proceeds from sale of lands and fixed assets		21,000	254,080
Net Cash Flows (used in) from Investing Activities		(1,420,933)	1,277,582
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Increase in short-term loans		757,571	-
(Decrease) increase in due to banks		(291,703)	94,030
Net Cash Flows from Financing Activities		465,868	94,030
Net (decrease) Increase in Cash		(1,669,954)	486,285
Cash on hand and at banks - beginning of period		1,865,060	3,584,656
Cash on Hand and at Banks - End of Period	5	195,106	4,070,941
Non-cash transactions:			
Financing activities:			
Unpaid dividends-non-controlling interests		500,000	500,000
Unpaid dividends-shareholders		3,750,000	3,750,000
		4,250,000	4,250,000

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THIS CONSOLIDATED CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH IT AND WITH THE ACCOMPANYING REVIEW REPORT.

**JORDAN WORSTED MILLS COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**RUSAIFEH - THE HASHEMITE KINGDOM OF JORDAN**  
**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(REVIEWED NOT AUDITED)**

**1. General**

- a. The Jordan Worsted Mills Company was registered as a public shareholding limited company under number (41) on September 17, 1964 with its head office located in Rusaifeh - Awajan District - The Hashemit Kingdom of Jordan, P.O.BOX 6060 Amman 11118 - Jordan. The Company's main objectives are to invest in shares of listed and unlisted companies; to manufacture and produce worsted in all shapes and types; to manufacture worsted; and to build, equip, and manage a factory / factories to manufacture worsted and trade in it.
- b. The Company owns 80% of Jordan Fabric and Worsted Mills Private Limited Shareholding Company, whose head office is in Rusaifeh, Awajan, The Hashemit Kingdom of Jordan. Its postal address is P.O. Box 6060 Amman 11118 - Jordan. The main objectives of this company are to manufacture and produce worsted, yarn, and mills in various shapes and kinds; to produce and sew various kinds of finished clothes; to use them as well as their accessories; and to trade in them. The main objectives also include building, preparing, and managing a factory / factories to manufacture the aforementioned and trade in them.
- c. The consolidated condensed interim financial statements were approved and authorized by the Board of Directors' in its resolution number (336) on April 23, 2017.

**2. Basis of Consolidation of Condensed Interim Financial Statements:**

- The consolidated condensed interim financial statements encompass the condensed interim financial statements of Jordan Worsted Mills Company and the condensed interim financial statements of its subsidiary, Jordan Fabric and Worsted Mills Company, a private limited shareholding company after eliminating balances and transactions between the two companies.
- The subsidiary had assets equal to JD 27,710,755, and liabilities equal to JD 4,133,376 as of March 31, 2017. Moreover, revenues equalled JD 2,682,456, and cost of sales and other expenses amounted to JD 1,729,131 for the three-month period ended March 31, 2017.

**3. Basis of Preparation of the Consolidated Condensed Interim Financial Statements:**

- The accompanying consolidated condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 (Interim Financial Reporting).
- The Jordanian Dinar is the functional and presentation currency of the consolidated condensed interim financial statements.
- The consolidated condensed interim financial statements have been prepared under the historical cost principle except for financial assets and financial liabilities shown at fair value at the date of the consolidated condensed interim financial statements.
- The consolidated condensed interim financial statements do not include all information and disclosures required for the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read with the annual report of the Company as of December 31, 2016. Moreover, the results of its operations for the three-month period ended March 31, 2017 do not necessarily provide an indication of the expected results of operations for the year ending on December 31, 2017. The Company's profits for the three-month period ended March 31, 2017 have not been appropriated, as such appropriations will be made at the end of the year.

The accounting policies followed in these consolidated condensed interim financial statements are the same as those adopted for the year ended December 31, 2016 except for the following changes:

- The annual improvements on the International Financial Reporting Standards issued in the years 2014-2016, which include amendments to International Financial Reporting Standard number (12).
- The amendments to International Accounting Standard number (12): "Income Taxes" that relate to recognizing deferred tax assets resulting from unrealized losses.
- Amendments to International Accounting Standard Number (7) "Cash Flows Statement" that aim to present additional disclosures in the statement of cash flows to enable financial statements users to assess changes in liabilities resulting from financing activities.

Adopting the above amended has not affected the amounts and disclosures in the consolidated condensed interim financial statements.

#### 4. Using Estimates

Preparation of the consolidated condensed interim financial statements and the application of the Company's accounting policies require the Company's management to make judgments and estimates that affect revenues, expenses, provisions, and changes in the investment valuation reserve that appear in the consolidated condensed interim statement of comprehensive income and within equity. In particular, this requires the Company's management to make significant judgments to estimate future cash flows and their timing. The mentioned estimates are necessarily based on different assumptions and factors that have varying amounts of estimation and uncertainty, and the actual results may differ from estimates due to changes stemming from those estimates' future circumstances.

The estimates and assumptions adopted in preparing these consolidated condensed interim financial statements are reasonable and consistent with those used in the year ended December 31, 2016.

#### 5. Cash on Hand and at Banks

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Cash on hand	3,726	4,138
Current accounts at banks- Jordanian dinar	86,375	251,327
Time deposit at Jordan Ahli Bank - Member of the Board of Directors *	70,000	1,099,335
Current account -euro	35,005	10,260
Cash collaterals against credit facilities **	-	500,000
	195,106	1,865,060

\* The time deposit is for one-month term, automatically renewable, and bears interest at 3.375% per annum.

\*\* The subsidiary company has transferred and used the cash collaterals, as the credit facilities granted to Jordan Worsted Mills Company (the partner company) have not been utilized. The collateralized cash was deposited at Jordan Ahli Bank (member of the Board of Directors) at an annual interest rate of 3.375%.

**6. Financial Assets at Fair Value through Statement of Income**

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Financial assets listed at Amman Stock Exchange	<u>3,344,717</u>	<u>3,036,375</u>

**7. Financial Assets at Fair Value through Comprehensive Income**

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Financial assets listed at Amman Stock Exchange	44,960,198	42,076,179
Unlisted financial assets *	<u>13,971,205</u>	<u>13,971,205</u>
	<u>58,931,403</u>	<u>56,047,384</u>

- \* The fair value of the unlisted investments has been determined based on the equity method and latest audited or reviewed set of financial statements. This is deemed to be the best tool available to measure the fair value of those investments.

**8. Financial Assets at Amortized Cost**

This item consists of the following:

	Number of bonds	March 31, 2017	numbers of bonds	December 31, 2016
		JD		JD
Arab International Hotels Company's bonds *	1500	<u>1,500,000</u>	-	<u>-</u>

- \* The Arab International Hotels Company's bonds mature on January 22, 2022. They bear interest at a fixed annual rate of 5/5%. The bonds are payable in two instalments on January 22 and July 22 every year.

**9. Investment in Affiliate Company**

- This item represents the cost of the investment of the Company and its subsidiary in the Arab International Real Estate Company, representing 40% of the investee's capital of JD 3.6 million. The affiliate was established on July 28, 2007, and its main objectives are to develop investments in various areas of tourism and real estate; to develop and manage construction, housing, and real estate projects and markets; to buy, sell, and invest real estates and lands inside and outside the city planning; and to manage housing, commercial, and other complexes. This amount represents the Company's share in the affiliate's net assets. It is also equivalent to the investment in the affiliate adjusted by the changes in the Company's share in the affiliate's net assets and by the amount of the Company's share in the affiliate's profits and losses based on the latest audited or reviewed financial statements. Moreover, the financial statements for the year 2015 were adopted as the last audited financial statements by the affiliate company.

#### 10. Due to Banks

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Jordan Ahli Bank - overdraft *	-	337,953
Jordan Ahli Bank -overdraft **	137,685	91,685
Arab Bank - overdraft **	2,957	2,707
	<u>140,642</u>	<u>432,345</u>

- \* The Company was granted an overdraft facility with a ceiling of JD 500,000 at an annual interest rate of 7.25% from Jordan Ahli Bank (member of the Board of Directors). The loan is guaranteed by the Company, and the overdraft is due on October 31, 2017.
- \*\* The Company was granted overdraft facilities with a ceiling of JD 2 million by Jordan Ahli Bank (member of the Board of Directors) and JD 1 million by Arab Bank (member of the Board of Directors). These credit facilities are guaranteed by the Company and bear interest at an annual interest rate of 7.25% from Jordan Ahli Bank and 8.5% for Arab Bank. Moreover, the overdrafts are due on October 31, 2017 and May 23, 2017, respectively.
- There are unused credit facilities granted to the Company, in the form of an overdraft, with a ceiling of JD 1.5 million, by Arab Bank and JD 500,000 by Bank of Jordan.

#### 11. Payables and Other Credit Balances

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Accounts payable	179,983	199,637
Shareholders' deposits (Note 19)	4,039,920	277,446
Non-controlling interests deposits (Note 19)	500,000	-
Accrued expenses	143,115	64,000
Board of Directors' remunerations for the parent and the subsidiary companies	-	100,000
	<u>4,863,018</u>	<u>641,083</u>

#### 12. Short-term Loans

The parent company and its subsidiary have obtained revolving loans from Societe Generale Bank - Jordan of JD 2 million for financing the company's operations with a maturity period of 365 days (renewable) from the loan date with variable interest of 6.5% annually for each of the parent company and its subsidiary. These loans have been granted without guarantees.

### 13. Retained Earnings

This item consists of the following:

	March 31, 2017 Retained Earnings			December 31, 2016 Retained earnings		
	Realized	Unrealized *	Total	Realized	unrealized	Total
	JD	JD	JD	JD	JD	JD
Beginning balance	11,371,411	1,343,922	12,715,333	11,844,512	1,498,727	13,343,239
Gains(losses) on financial assets at fair value through comprehensive income	15,653	-	15,653	(578,213)	-	(578,213)
Realized cumulative change in fair value during the year	-	-	-	(59,868)	59,868	-
Profit for the year	-	-	-	4,064,980	(214,673)	3,850,307
Distributed dividends	(3,750,000)	-	(3,750,000)	(3,750,000)	-	(3,750,000)
Deduction for reserve	-	-	-	(150,000)	-	(150,000)
Ending balance	<u>7,637,064</u>	<u>1,343,922</u>	<u>8,980,986</u>	<u>11,371,411</u>	<u>1,343,922</u>	<u>12,715,333</u>

\* Restricted as of March 31, 2017 in accordance with the directives of the Jordan Securities Commission.

### 14. Non-controlling Interests

This item encompasses the rights of Kingdom Investment Group (limited liability company), which is %20 owned by the Jordanian armed forces, in the equity of Jordan Fabric and Worsted Mills Private Shareholding Company (the subsidiary) as of

March 31, 2017 and December 31, 2016. This item also encompasses Kingdom Investment Group's share in the profit for the period/year then ended.

### 15. Net Profit (Losses) of Financial Assets at Fair Value through Statement of Income

This item consists of the following:

	For the three-month Period Ended March 31,	
	2017	2016
	JD	JD
Dividends revenue	137,734	115,535
Gains (losses) on valuation of financial assets at fair value through statement of income - unrealized	308,342	(255,029)
	<u>446,076</u>	<u>(139,494)</u>

### 16. Other Net Income

This item consists of the following:

	For the three-month Period Ended March 31,	
	2017	2016
	JD	JD
Bank credit interest	7,430	30,221
Bank debit interest	(13,545)	(6,742)
Gains (losses) on sale of lands and fixed assets	21,000	247,491
Recovered from accrued exposures	64,000	-
Other revenues	76	374
	<u>78,961</u>	<u>271,344</u>

**17. Income Tax**

- a. The deferred tax assets from timing differences of taxes paid on the recorded provisions were not shown as required according to International Accounting Standard Number (12), as the parent company practices a non-taxable activity and is not expected to use these assets in the near future.
- b. The income tax for the company and its subsidiary has been settled up to the end of the year 2014. Moreover, the tax returns for the years 2015 and 2016 were filed on time, and an income tax provision has been calculated and recorded for the three-month period ended March 31, 2017. In the opinion of management and its tax consultant, the provisions taken are adequate, and no additional provisions are required.

**18. Earnings per Share for the Period Attributable to Shareholders**

This item consists of the following:

	For the three-month Period Ended March 31,	
	2017	2016
	JD	JD
Profit for the period attributable to shareholders	1,527,675	1,690,333
Number of shares	15,000,000	15,000,000
Earnings per share for the period	<u>-\102</u>	<u>-\112</u>

**19. Dividends**

- On March 27, 2017, the General Assembly approved the Board of Directors' recommendation to distribute 25% of capital as cash dividends to shareholders for the year 2016, which is equivalent to JD 3.75 million. (JD 3.75 million for the year 2015).
- On March 15, 2017, the General Assembly of Jordan Fabric and Worsted Mills (the subsidiary) approved the Board of Directors' recommendation to distribute 25% of capital as cash dividends to shareholders for the year 2016, which is equivalent to JD 2.5 million. Moreover, the non - controlling interests share in these profits amounted to JD 500,000.

**20. Financial Derivatives**

The Company has entered into forward contracts with one of the local banks (related party) to buy euros in exchange of American dollars. The balance of derivatives amounted to JD 149,443 as of March 31, 2017 .Moreover, revaluation differences as of March 31, 2017 are immaterial.

**21. Contingent Liabilities**

As of the date of the consolidated condensed interim statement of financial position, the Company was contingently liable as follows:

	March 31, 2017	December 31, 2016
	JD	JD
Letters of credit	650,000	650,000
Forward contracts-financial derivatives	149,443	753,369

## 22. Related Party Balances and Transactions

The details of the related parties' balances and transactions (companies and corporations represented by the members of the Board of Directors) are as follows):

Items of the consolidated condensed interim statement of financial position:	March 31,	December 31,
	2017	2016
	JD	JD
Time deposit at Jordan Ahli Bank - member of the parent Company's Board of Directors	70,000	1,099,335
Cash guarantees at Jordan Ahli Bank - member of the parent Company's Board of Directors	-	500,000
Military receivables	5,506,700	4,096,080
Bank (creditor) - Arab Bank - member of the Board of Directors	(2,957)	(2,707)
Bank (creditor) - Jordan Ahli Bank - member of the Board of Directors	-	(337,953)
Bank (creditor) - Jordan Ahli Bank - member of the Board of Directors	(137,685)	(91,685)
Current accounts - Arab Bank - member of the Board of Directors	333	292
Current accounts - Jordan Ahli Bank - member of the Board of Directors	81,600	250,612
Current accounts - Euro - Jordan Ahli Bank - member of the Board of Directors	35,005	10,260
Off balance sheet items:		
Letters of credit - Arab Bank- member of the Board of Directors	150,000	150,000
Letters of credit - Jordan Ahli Bank - member of the Board of Directors	500,000	500,000
Forward contracts - Jordan Ahli Bank - member of the Board of Directors	149,443	753,369
For the three-month Period Ended March 31,		
Items of consolidated condensed interim income statement:	2017	2016
	JD	JD
Military sales - Board of Directors	2,530,926	2,918,278
Debit interest and commissions	13,545	6,742
Credit interest	7,430	30,221

The military forces and security departments mentioned above are considered the main consumer of the subsidiary's products according to the terms of the agreements signed between the two parties. Moreover, the purchase of their yarn is agreed upon in the purchase contracts.

Salaries, rewards, and other benefits for the Board of Directors and executive management amounted to JD 287,520 for the three-month period ended March 31, 2017.



**23. Information about the Company's Business Sector**

The following is information about the company's business sector, broken down by activities:

	Industrial	Investment *	Total	
			For the three-months Ended on March 31,	
			2017	2016
	JD	JD	JD	JD
Sales	2,557,451	-	2,557,451	2,918,534
Cost of sales	(1,315,278)	-	(1,315,278)	(1,477,299)
Company's business sector result	1,242,173	-	1,242,173	1,441,235
Selling and distribution expenses	(18,095)	-	(18,095)	(22,858)
General and administrative expenses	(246,558)	(143,729)	(390,287)	(493,900)
Other income-net	48,293	30,668	78,961	271,344
Financial assets income net	76,712	878,076	954,788	886,776
Profit for the period before tax	1,102,525	765,015	1,867,540	2,082,597
Income tax expenses	(149,200)	-	(149,200)	(170,000)
Profit for the Period	953,325	765,015	1,718,340	1,912,597

\* Net after excluding the Company's share of the distributed subsidiary's profits during the period of JD 2,000,000 from this sector

	Industrial *	Investment *	March 31,	December 31,
			2017	2016
	JD	JD	JD	JD
<u>Other information</u>				
Sector's assets	27,710,755	52,094,004	79,804,759	75,022,757
Sector's Liabilities	4,133,376	3,002,304	7,135,680	2,399,757

\* Net of balances and financial transactions between the Company and its subsidiary.

- All the assets and operations of the Company and its subsidiary are within the Hashemite Kingdom of Jordan.

**24. Fair Value Hierarchy**

**A. The fair value of financial assets evaluated at fair value on a recurring basis:**

Some financial assets are evaluated at fair value at the end of each fiscal period. The following table shows how fair value of these financial assets is determined (evaluation methods and inputs used).

	Fair Value		The Level of Fair Value	Evaluation Method and Inputs Used	Important Intangible Inputs	Relation between the Fair Value and the Important Intangible Inputs
	March 31, 2017	December 31, 2016				
Financial Assets						
<b>Financial Assets at Fair Value Through Statement of Income</b>						
Companies shares	JD	JD	Level One	Prices quoted on financial markets	Not Applicable	Not Applicable
	3,344,717	3,036,375				
	3,344,717	3,036,375				
<b>Financial Assets at Fair Value through Comprehensive Income</b>						
Quoted shares			Level One	Prices quoted on financial markets	Not Applicable	Not Applicable
	44,960,198	42,076,179				
Unquoted shares			Level Two	Equity method based on the last audited/ reviewed financial statements	Not Applicable	Not Applicable
	13,971,205	13,971,205				
<b>Total Financial Assets at Fair Value</b>	<b>58,931,403</b>	<b>56,047,384</b>				
	<b>62,276,120</b>	<b>59,083,759</b>				

\* These were no transfers between level 1 and level 2 during the first three months of 2017.

**B - The fair value of financial assets and financial liabilities of the Company (non-specific fair value on an ongoing basis):**

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities reflected in the condensed consolidated interim financial statements of the Company approximates their fair values. Moreover, the management believes that the carrying amount of the items below approximates their fair value due to either short-term maturity or repricing of interest rates during the period.

	March 31, 2017		December 31, 2016		The Level of Fair Value
	Book value	Fair Value	Book value	Fair Value	
JD		JD		JD	Level Two
Financial assets at amortized cost	1,500,000	1,515,595	-	-	
<b>Total Financial Assets of non-specified Fair Value</b>	<b>1,500,000</b>	<b>1,515,595</b>	<b>-</b>	<b>-</b>	

The fair value of financial assets for Level 2 has been determined in accordance with agreed pricing models that reflect the credit risk of the counterparties.