شركة الإستثمارات والصناعات المتكاملة م.ع.م
(شركة قابضة)

هيئة الأوراق المالية
الدائرة الادارية / الديوان
٢٧ نيسان ٢٠١٧
الرقم المتسلسل ١٩١٨٥
الجهة المختصة

عمان في 25/ 04/ 2017

السادة / هيئة الأوراق المالية المحترمين

تحية طيبة وبعد ،،،

نرفق لكم طيه البيانات المالية باللغة الانجليزية لشركة الاستثمارات والصناعات المتكاملة عن الفترة المنتهية في 2016/12/31.

يرجى الإيعاز لمن يلزم باستلامها وحفظها لديكم.

وتفضلوا بقبول فائق الاحترام ،،،

شركة الإستثمارات والصناعات المتكاملة م.ع.م (شركة قابضة)

مروان ايليا نقل
نائب رئيس مجلس الإدارة

ملاحظة:
الرجاء التوقيع بالاستلام

هاتف المكتب : ٦٤٦٥٢٦٨٨ (٩٦٢) ● فاكس: ٦٤٦٤٥٦٦٩ (٩٦٢) ● ص.ب ١٥٤ عمان ١١١١٨ الأردن

INVESTMENTS & INTEGRATED INDUSTRIS COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
AND Its SUBSIDIARIES (THE GROUP)
AMMAN - JORDAN

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REPORT

INVESTMENTS & INTEGRATED INDUSTRIS COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
AND ITs SUBSIDIARIES (THE GROUP)
AMMAN – JORDAN

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Independents Auditor's Report

To the Shareholders of Investments & Integrated Industries Company
(Public Shareholding Company – Holding Company)
Amman – Jordan

Opinion

We have audited the consolidated financial statements of Investments & Integrated Industries Company (Public Shareholding Company – Holding Company) and its subsidiaries ("the Company"), which comprise the consolidated statement of financial position as of December 31, 2016, and the related consolidated statements of income and other comprehensive income, changes in Shareholder's equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in accordance with International Ethics Standards Board for Accountants Code of Ethics, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters are described below:

Description of the key audit matter - Measurement of Fair Value of Financial Assets	***How the matter was addressed in our audit***
The book value of the **Financial assets at fair value through other comprehensive income** amounted to JOD 15,148,265 as of December 31, 2016, which represents 57% of Company's total assets. The revaluation of these assets at fair value could have material effect on the value of the Company's assets and the components of other comprehensive income. The financial assets represent one of the main operating activities of the Company, and the selection of valuation technique used in measuring the fair value of these assets is highly depending on management estimates.	Our audit procedures included the assessment of the Company's procedures used in measuring the fair value of Financial assets at fair value through other comprehensive income and examining the trading prices of these assets in the related equity securities markets. The Company's management used the following techniques in measuring the fair value of Financial assets at fair value through other comprehensive income: - Year-end closing prices for equity securities traded in the regular market. - Year-end closing prices for equity securities traded in the Over-The-Counter (OTC) Market. The Company's management believes that the OTC prices for these securities represent the most suitable base for measuring the fair values of these securities. Details and accounting policy of financial assets at fair value through other comprehensive income are disclosed in the accompanying consolidated financial statements under Notes (12) and (3) respectively.

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Other Information

Management is responsible for the other information. The other information does not include the consolidated financial statements and our auditors' report on the consolidated financial statements.

Our opinion on the consolidated financial statements do not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the consolidated financial reporting preparation process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our audit report that includes our opinion on the consolidated financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of audit process in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, we will modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.
- We communicate with those charged with governance regarding, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore, the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records. The accompanying consolidated financial statements are, in all material aspects, in agreement with the Company's accounting records, and we recommend that the Company's General Assembly approves these consolidated financial statements.

*This audit report on the consolidated financial statements is a translated version of the original audit report on the consolidated financial statements issued in Arabic, in case of a discrepancy, the Arabic original will prevail.

Matrix Consulting International

MATRIX CONSULTING INTERNATIONAL
Audit & Financial Advisory Services

Raied Ramini
License No, (610)
Amman – Jordan

March 16, 2017

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INVESTMENTS & INTEGRATED INDUSTRIS COMPANY
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AND ITs SUBSIDIARIES (THE GROUP)
AMMAN – JORDAN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Jordanian Dinar

		As of 31 December,	
Assets	**Note**	**2016**	**2015**
Current Assets			
Cash on hand and at banks	4	8,259	66,698
Trade receivables and other checks under collection-net	5	3,640,525	3,705,279
Due from related parties	6	315,859	350,861
Short term portion of loans to related parties	7	250.000	225,000
Inventory	8	3,714,544	3,741,221
Other debit balances	9	323,242	280,468
Total current assets		8,252,429	8,369,527
Property and equipment	10	1,957,681	2,089,442
Investment in associate companies	11	1,126,786	1,125,341
Financial assets at fair value through other Comprehensive income	12	15,148,265	18,443,248
Loans to related parties	7	-	75,000
Total Assets		26,485,161	30,102,558
Liabilities and Shareholders' Equity			
Current Liabilities			
Due to banks	13	1,128,133	5,808,754
Short term portion of loans	14	3,828,600	2,162,092
Accounts payable		1,830,882	2,001,337
Due to related parties	6	1,290,214	6,210,770
Other credit balances	15	554,272	528,660
Total Current Liabilities		8,632,101	16,711,613
Long term loans		14,605,400	6,806,400
Total Liabilities		23,237,501	23,518,013
Shareholders' equity			
Capital	16	14,500,000	14,500,000
Statutory reserve	17	75,706	75,706
Fair value reserve	12	(5,105,736)	(1,963,693)
Accumulated losses	18	(6,601,607)	(6,339,257)
Shareholders' equity		2,868,363	6,272,756
Non-controlling interest		379,297	311,789
Net Shareholders' Equity		3,247,660	6,584,545
Total Liabilities and Shareholders' Equity		26,485,161	30,102,558

The accompanying notes from (1) to (30) are an integral part of these consolidated financial statements.

INVESTMENTS & INTEGRATED INDUSTRIS COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
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AMMAN – JORDAN

CONSOLIDATED STATEMENT OF INCOME

Jordanian Dinar	Note	For the year ended December 31, 2016	2015
Sales	19	9,836,673	9,480,225
Less: Cost of sales	20	(8,416,025)	(8,295,845)
Gross Profit		1,420,648	1,184,380
Less: General, administrative and marketing expenses	21	(1,281,771)	(1,023,451)
Add: Other income	22	496,783	1,041,408
Add: Change in provision for doubtful debt		6,595	7,047
Less: Interest expenses		(833,280)	(702,399)
Less: Share in profit of associate companies	11	(1,113)	22,347
Less: Non-controlling interest share in amortized losses of subsidiaries		(52,215)	-
Add: Change in inventory provision		37,768	8,216
(Loss) Profit for the year before Income Tax		(206,585)	537,548
Income tax of prior years		(79,018)	(73,717)
(Loss) Profit for the year		(285,603)	463,831
Allocated as Follows:			
Companies shareholders		(300,896)	466,322
Non-controlling interest		15,293	(2,491)
		(285,603)	463,831
Basic and diluted (loss) profit per share	25	(2.1%)	3.2%

The accompanying notes from (1) to (30) are an integral part of these consolidated financial statements.

INVESTMENTS & INTEGRATED INDUSTRIS COMPANY
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CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Jordanian Dinar	For the year ended December 31,	
	2016	2015
(Loss) Profit for the year	(285,603)	463,831
Add ((Less) Other Comprehensive Income Items:		
Profit from sale of financial assets at fair value through other comprehensive income	38,546	-
Change in fair value of financial assets at fair value through other comprehensive income	(3,144,601)	(3,146,626)
Share from other comprehensive income of associate companies	2,558	1,500
Total (Loss) Profit and Other Comprehensive Income	(3,389,100)	(2,681,295)
Allocated as Follows:		
Companies shareholders	(3,404,393)	(2,678,804)
Non-controlling interest	15,293	(2,491)
	(3,389,100)	(2,681,295)

The accompanying notes from (1) to (30) are an integral part of these consolidated financial statements.

INVESTMENTS & INTEGRATED INDUSTRIS COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
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AMMAN – JORDAN

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In Jordanian Dinar

	Capital	Statutory reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interest	Total Shareholders' Equity
For the year ended 31 December 2016							
Balance as of January 1, 2016	14,500,000	75,706	(1,963,693)	(6,339,257)	6,272,756	311,789	6,584,545
Loss and other comprehensive income for the year	-	-	(3,142,043)	(300,896)	(3,442,939)	15,293	(3,427,646)
Profit from sale of financial assets at fair value through other comprehensive income	-	-	-	38,546	38,546	-	38,546
Non-controlling interest share in amortized losses of subsidiaries	-	-	-	-	-	52,215	52,215
Balance as of 31 December, 2016	14,500,000	75,706	(5,105,736)	(6,601,607)	2,868,363	379,297	3,247,660
For the year ended 31 December 2015							
Balance as of January 1, 2015	14,500,000	21,951	1,181,433	(6,752,729)	8,950,655	323,557	9,274,212
Adjustments due to changes in ownership percentage in a subsidiary	-	-	-	905	905	(9,277)	(8,372)
Profit and other comprehensive income for the year	-	-	(3,145,126)	466,322	(2,678,804)	(2,491)	(2,681,295)
Transferred to statutory reserve	-	53,755	-	(53,755)	-	-	-
Balance as of 31 December, 2015	14,500,000	75,706	(1,963,693)	(6,339,257)	6,272,756	311,789	6,584,545

The accompanying notes from (1) to (30) are an integral part of these consolidated financial statements.

INVESTMENTS & INTEGRATED INDUSTRIS COMPANY
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AMMAN – JORDAN

CONSOLIDATED STATEMENT OF CASH FLOWS

Jordanian Dinar	For the year ended 31 December, 2016	2015
Cash flows from Operating Activities:		
(Loss) profit for the year before Income tax	(206,585)	537,548
Adjustments:		
Depreciation	149,109	149,549
Gain from sale of property and equipment	(1,556)	-
Company's share from associate company operating results	1,113	(30,720)
Interest expenses	833,280	702,399
Change in inventory provision	(37,768)	(8,216)
Change in provision for doubtful debt	(6,595)	(7,047)
Changes in working capital items:		
Inventory	64,445	(714,098)
Trade receivables and checks under collection	71,349	(1,169,151)
Other debit balances	(29,068)	(17,354)
Accounts payable	(170,455)	1,074,121
Other credit balances	25,612	(10,215)
Net Cash Flows from the Operating Activities before Income Tax	692,881	506,816
Income tax paid	(79,018)	(12,165)
Net Cash Flows from the Operating Activities	613,863	494,651
Cash flows from Investing Activities:		
Interest received	99,498	273,816
Changes in available for sale asset	-	30,423
Proceeds from sale of property and equipment	6,.033	-
Purchase of property and equipment	(21,825)	(519,270)
Proceeds from sale of financial assets	188,928	-
Collection of related parties' loans	50,000	75,000
Net Cash Flows from (used in) Investing Activities	322,634	(140.031)
Cash Flows from Financing Activities:		
Due to related parties	(4,885,554)	13,033,983
Loans and due to banks	4,784,887	(12,485,621)
Interest paid	(946,484)	(997,183)
Non-controlling interest share in amortized losses of a subsidiary	52,215	-
Net Cash Flows used in Financing Activities	(994,936)	(448,821)
Net change in cash and cash equivalents	(58,439)	(94,201)
Cash and cash equivalents at the beginning of the year	66,698	160,899
Cash and Cash Equivalents at the end of the year	8,259	66,698

The accompanying notes from (1) to (30) are an integral part of these consolidated financial statements.

1) GENERAL

a. Establishment and objectives:

Investments & Integrated Industries Company (public shareholding company) "The Company" was established and registered in the ministry of industry and trade of Jordan under no. (281) on April 20, 1995.
The main objectives of the company include managing its subsidiaries, participating in managing other entities in which the company has ownership, investing in equity and debt securities, and granting finance for its subsidiaries.

b. Employees:

The Company's number of employees as of December 31, 2016 was 127 employees (124 employees as of December 31, 2015).

c. Approval of consolidated financial statements:

The consolidated financial statements have been approved by the Board of Directors in their meeting held on March 16, 2017. These financial statements require the approval of the Company's General Assembly.

2) BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with international financial reporting standards. The accounting policies applied by the Company in these consolidated financial statements for the year ended December 31, 2016 are the same as those applied by the Company in its consolidated financial statements for the year ended December 31, 2015.

(b) Basis of financial statements consolidation

The consolidated financial statements comprise of the financial statements of Investments & Integrated Industries company (the "Parent Company") and its subsidiaries together referred to (the "Group"), which subject to its control. Subsidiaries are entities controlled by the parent company .The parent company controls subsidiaries when it is exposed, or has rights, to variable returns from its involvement with these subsidiaries and has the ability to affect those returns through its power over these subsidiaries.
Balances, transactions and unrealized profits and expenses resulted from transactions within the group are eliminated when preparing these consolidated financial statements.
Consolidated financial statements are prepared for the subsidiaries to the same financial year of the parent company and using the same accounting policies adopted by the parent company.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

(c) Functional and presentation currency

The consolidated financial statements are presented in Jordanian Dinar, which is the Company's functional currency.

(d) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the financial assets and liabilities which are measured at fair value.

3) **Significant Accounting Policies**

- **Cash and cash equivalents**

  Cash and cash equivalents comprise cash on hand and at banks and short term deposits with a maturity of three months or less.

- **Accounts receivable**

  Accounts receivable are stated at original invoice amount less any provision for any uncollectable amounts. An estimate for doubtful debts is made when collection of any amount is no longer probable.

- **Inventories**

  The cost of inventories is based on the first-in-first-out principle. The cost of inventories under production includes cost of raw materials and other manufacturing overheads.
  Inventories are measured at the lower of cost and net realizable value.

- **Property and Equipment**

  Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. An item of property and equipment is derecognized upon disposal. Any gains or losses arising from derecognizing of the asset are included in the consolidated statement of income when the asset is derecognized.

  Items of property and equipment are depreciated on a straight line basis over the estimated useful lives of each part of an item of property and equipment, except land.

  The estimated useful lives of property and equipment are as follows:

Items of property and equipment	Depreciation rate
Machinery and equipment	8%
Furniture and office equipment	12% - 33%
Vehicles	15%
Leasehold improvements	4% - 15%

The Company reviews the useful lives and depreciation method for the property and equipment on a periodic basis to ensure that they are in line with the estimated economic benefits from these assets.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceeded the estimated recoverable amount, the assets are written down to their recoverable amount and recognized as loss in the consolidated statement of income.

- **Financial assets at fair value through other comprehensive income**

  These assets represent investments in equity instruments with the intention to keep them as a long term investment.

  When purchasing these assets they are recognized at fair value including acquisition expenses then to be re-evaluated later at fair value, where changes in the fair value appears in the consolidated statement of other comprehensive income and owners' equity including the change in fair value resulting from the differences in conversion of non-monetary assets items in foreign currencies, in case of selling such assets or part thereof profits or losses to be recorded in the consolidated statement of other comprehensive income and owners' equity where the valuation reserve balance of the sold assets should be directly transferred to the retained earnings and losses and not through the consolidated statement of income. These assets are not subject to impairment loss testing.

- **Financial assets at amortized cost**

  Financial assets are held within the Company in order to collect contractual cash flows, which represent payments of principal and interest on the principal amount outstanding with fixed or determinable payments that are not quoted in an active market and the Company does not intend to sell immediately or in the near term.

  When purchasing these assets, they are recognized at cost plus acquisition costs, where premium / discount are amortized using the effective interest method and recorded on interest account, where any provisions resulted from the impairment in its amount leads to the inability to recover the principal or part of it are deducted, any impairment in its amount to be recognized at the consolidated statement of income.

  The impairment amount in the value of these assets represents the difference between the value recorded at the books and the present value of the expected discounted cash flows at the original effective interest rate.

  Reclassification of any of the financial assets to/from this category is permitted when the objective and the management of this assets changes.

  When selling these assets before their maturity date, the sale transaction is recorded in the consolidated statement of income as a separate item and a disclosure of this transaction is made according to the International Financial Reporting Standards.

- **Investment in associates**

  Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

  Interests in associates are accounted for using the equity method. They are recognized initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of equity accounted investees till the actual effective stop date or joint control.

  Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

- **Investment in subsidiaries**

  Subsidiaries are those entities in which the Company has control over their financial and operating policies where the group holds over 50% of their voting rights. Interests in associates are accounted for using the equity method.

  The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases, and intra-group balances and transactions are eliminated in the consolidated financial statements.

- **Loans and due to banks**

  Loans and due to banks are recognized initially at fair value including their related direct costs, then to be recorded later at amortized cost using the effective interest method.

- **Accounts payable and accruals**

  Accounts payable and accruals are obligations to pay for goods or services that have been acquired. These obligations are recorded whether billed by the supplier or not.

- **Provisions**

  A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

- **Revenue recognition**

  - Revenue is recognized in the consolidated statement of income when the amount of revenues can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the entity.
  - Revenue from sale of goods is recognized upon delivering the goods and transferring the risk of ownership to the customers.
  - Interest income is recognized as interest accrues using the effective interest rate method.
  - Other revenues are recognized based on accrual basis.
  - Dividends are recognized when the shareholders' right to receive payment is established.

- **Income tax**

  The income tax provision is calculated in accordance with the Income Tax Law No. 34 of 2014, and in accordance with International Accounting Standard No. 12, which requires that the Company recognizes deferred tax in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

- **Fair value measurement:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Company.

The Company measures the fair value of assets and liabilities based on the assumptions that market participants would use when pricing the asset or liability, assuming that the market participants are acting according to their economic benefit.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values of assets and liabilities are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

- **Offsetting**

  Financial liabilities are set off against financial assets, and the net amount is shown in the consolidated statement of financial position only when the obliging legal rights are available or when settled on net basis or the realization of assets or settlement of liabilities is done at the same time.

- **Foreign Currency Transactions**

  Transactions in foreign currencies during the year are translated at exchange rates at the dates of the transactions.

  Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Jordanian Dinar at the exchange rate at that date.

  Foreign currency differences arising on retranslation of foreign currencies to Jordanian Dinar are recognized in the consolidated statement of income.

- **Impairment of financial assets**

  A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired.

  A financial asset is impaired if objective evidence indicates that a loss event had a negative effect on the estimated future consolidated cash flows of that asset that can be estimated reliably. Such evidence might include indications that the borrowers are facing significant financial difficulties or they are in default in respect of settling their principal and interest payments, and it's probable that they will go into liquidation or financial restructuring.

- **Impairment of non-financial assets**

  The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists or when the International Financial Reporting Standards require annual testing of impairment, then the asset's recoverable amount is estimated. Recoverable amount is the higher of an asset's fair value less costs to sell or its value in use.

  An impairment loss is recognized if the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount.

  All impairment losses are recognized in the consolidated statement of income.

- **Earnings per share**

  The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

- **Use of estimates**

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

In particular, information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

- Management estimates the provision for income tax in accordance with the prevailing laws and regulations and International Financial Reporting Standards.
- A provision for doubtful debts is taken on the basis and periodic estimates approved by management.
- A provision for inventory decrease to net realizable value is taken if the selling price of inventory fall below cost or any other factors that causes the recoverable amount to be lower than its carrying amount.
- Management periodically reassesses the economic useful lives of tangible assets based on the general condition of these assets and the expectation for their useful economic lives in the future.
- Management frequently reviews the lawsuits raised against the company based on a legal study prepared by the company's legal advisors. This study highlights potential risks that the company may incur in the future.

Management believes that its estimates and judgment are reasonable and adequate.

4) **Cash on hand and at banks**

This item represents cash balance on hand and at banks as of December 31, 2016.

5) **Trade receivables and checks under collection**

Jordanian Dinar	As of December 31	
	2016	2015
Trade receivables	3,431,523	2,908,040
Checks under collection	1,234,098	1,831,784
Total	4,665,621	4,739,824
Less: Provision for doubtful accounts	(1,025,096)	(1,034,545)
Net receivables and checks under collections	3,640,525	3,705,279

The movement on the provision for doubtful accounts during the year was as follows:

Jordanian Dinar	As of December 31,	
	2016	2015
Balance at the beginning of the year	1,034,545	1,036,592
Less: Reversal of provision	(6,595)	(2,047)
Less: Written off	(2,854)	-
Balance at the end of the year	1,025,096	1,034,545

6) **Related parties' balances**

Due from related parties:	**Nature of relationship**	**As of December 31, 2016**	**2015**
Jordanian Dinar			
Modern Cylinders Manufacturing	Sister	306,407	278,251
Fine Hygienic Paper	Sister	5,029	-
Perfect Printing Press	Sister	2,009	3,162
Nuqul Engineering and Contracting	Sister	1,950	663
Nuqul Automotive	Sister	206	583
Al Snobar Hygienic Paper Mill	Sister	199	-
Pearl Sanitary Paper Converting	Sister	59	-
Integrated Olive Products	Sister	-	62,440
Al Keena Hygienic Paper	Sister	-	4,809
Miscellaneous		-	953
Total		315,859	350,861

Due to related parties:	**Nature of relationship**	**As of December 31, 2016**	**2015**
Jordanian Dinar			
Elia Nuqul & Sons	Owner	1,112,077	5,498,355
Al Naseem Trading	Sister	165,647	178,121
Fine Hygienic Paper-HO	Sister	8,777	32,422
Packing Industries	Associate	2,572	3,971
Quality Plastic Industries	Sister	1,000	1,000
Al Keena Hygienic Paper	Sister	141	-
Pearl Sanitary Paper Converting	Sister	-	342,183
Masader Investments	Sister	-	147,343
Fine Hygienic Paper-Sahab	Sister	-	7,375
Total		1,290,214	6,210,770

7) Loan to related party

This item represents the remaining outstanding balance of the loan granted to Al Yaqoot Real Estate Company in the amount of JOD 600,000. This loan was granted for the purpose of financing part of the construction cost and other activities of Galleria Mall (owned by Al Yaqoot Real Estate Company).

This loan is subject to interest rate of 9% in addition to 2% as a penalty on the amounts that are not settled on due dates. This loan is convertible to ordinary shares in Amwaj for Commercial and investment projects (Private Shareholding Company – Investor in Al Yaqoot).

Details of transactions affected this loan are as follows:

Installment due date	Installment amount	Amount settled	Balance
30/9/2013	75,000	75,000	525,000
31/3/2014	75,000	75,000	450,000
30/9/2014	75,000	75,000	375,000
31/3/2015	75,000	75,000	300,000
30/9/2015	75,000	50,000	250,000
31/3/2016	75,000	-	250,000
30/9/2016	75,000	-	250,000
31/3/2017	75,000	-	250,000
Total	**600,000**	**350,000**	

8) Inventory

Jordanian Dinar	As of December 31, 2016	2015
Finished goods	2,618,730	2,617,688
Raw materials	803,101	886,313
Work in progress	82,515	74,262
Spare parts	278,128	268,656
Total	3,782,474	3,846,919
Less: damaged inventory provision	(67,930)	(105,698)
Net	3,714,544	3,741,221

The movement on the provision during the year was as follows:

Jordanian Dinar	As of December 31, 2016	2015
Balance at the beginning of the year	105,698	113,914
Less: Reversal of provision	(37,768)	(8,216)
Balance at the end of the year	67,930	105,698

9) Other debit balances

	As of December 31,	
Jordanian Dinar	2016	2015
Goods in transit	18,142	53,888
Deposits for marina	50,536	50,536
Income tax	91,653	91,653
Refundable deposits	18,756	16,746
Due from employees	12,407	12,345
Sales tax	7,478	7,258
Prepaid expenses	12,618	16,502
Advance payments to suppliers	72,365	9,822
Accrued interest income	32,606	18,900
Miscellaneous	6,681	2,818
Total	323,242	280,468

10) **Property and equipment**

Jordanian Dinar

	Land	Buildings	Machines & equipment	Vehicles	Leasehold improvements	Furniture	Projects under construction	Total
Cost								
Balance 1/1/ 2016	1,613,010	1,055,676	1,939,394	115,931	174,146	148,947	-	5,047,104
Additions	-	-	-	11,588	-	-	10,237	21,825
Disposals	-	-	-	(9,427)	-	-	-	(9,427)
Balance 31/12/ 2016	1,613,010	1,055,676	1,939,394	118,092	174,146	148,947	10,237	5,059,502
Accumulated Depreciation								
Balance 1/1/ 2016	-	909,468	1,729,987	100,372	75,112	142,723	-	2,957,662
Depreciation for the year	-	71,786	55,793	6,809	10,945	3,776	-	149,109
Disposals	-	-	-	(4,950)	-	-	-	(4,950)
Balance 31/12/ 2016	-	981,254	1,785,780	102,231	86,057	146,499	-	3,101,821
Net Book value 31/12/216	1,613,010	74,422	153,614	15,861	88,089	2,448	10,237	1,957,681
Net Book 31/12/2015	1,613,010	146,208	209,407	15,559	99,034	6,224	-	2,089,442

* As the buildings owned by Quality Printing Press (subsidiary) is fully depreciated, it was excluded from the above table.

11) Investment in associate company
Jordanian Dinar

Company	Product	Ownership Percentage	As of 31 December,	
			2016	2015
		%		
Packing industries	Flexible packaging materials	44.11	1,126,786	1,125,341

The movement on the investment in associate company balance during the year was as follows:

Jordanian Dinar	2016	2015
Beginning balance	1,125,341	1,101,494
Company's share of the associate (loss) profit	(1,113)	22,347
Company's share of the associate other comprehensive income	2,558	1,500
Ending Balance	1,126,786	1,125,341

12) Financial assets at fair value through other comprehensive income

Jordanian Dinar	As of December 31,	
	2016	2015
Shares listed in local principal market	13,730,845	14,388,513
Shares traded in local OTC market	1,195,960	3,833,275
Unlisted companies	221,460	221,460
Total	15,148,265	18,443,248

The movement on the fair value reserve during the year was as follows:

Jordanian Dinar	As of December 31,	
	2016	2015
Beginning balance	(1,963,693)	1,181,433
Change in fair value of financial assets	(3,255,831)	(3,145,126)
Cumulative change in fair value of derecognized financial assets	113,788	-
Net	(5,105,736)	(1,963,693)

Valuation technique

a) Shares listed in local principal market:

Fair values of shares listed in local principal market have been determined by reference to year-end closing price. Details of these shares as of December 31, 2016 are as follows:

Company	No. Shares	Book Value before Valuation	Closing Price	Fair Value	Unrealized (Loss) Profit
Delta Insurance Co.	1,251,331	1,101,171	1.10	1,376,464	275,293
Pearl Sanitary Paper Co.	6,000	21,600	3.25	19,500	(2,100)
Jordan Press Al- Rai	53,889	46,883	0.78	42,034	(4,849)
Arab financial investment	3,333	3,833	1.40	4,666	833
Universal Modern Industries	1,609,666	2,993,979	2.44	3,927,585	933,606
Capital Bank of Jordan	10,073,007	10,073,007	0.83	8,360,596	(1,712,411)
Add: Company's share of the associate's other comprehensive income	-	-	-	-	2,558
Add: Chang in fair value of derecognized investment	-	-	-	-	2,342
		14,240,473		13,730,845	(504,728)

b) Shares traded in local OTC market:

During 2016, and according to the Regulating Directives for Trading in Unlisted Securities at the ASE issued dated 12/4/2016, the shares of Amwaj Real Estate Company and Amwal Invest Company became OTC traded. As a result, the Company's management has used their year- end closing prices in determining the fair value of investments in these shares. Management's believe that the quoted prices of these shares in OTC market are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs. Details of these investments are as follows:

Company	No. Shares	Book Value before Valuation	Closing Price	Fair Value	Unrealized (Loss) Profit
Amwaj Real Estate	3,514,727	3,831,052	0.34	1,195,007	(2,636,045)
Amwal Invest	10,588	2,223	.09	953	(1,270)
		3,833,275		1,195,960	(2,637,315)

c) Unlisted Companies:

Investment in equity securities of unlisted companies are evaluated at actual cost/book value. Details of investment in equity securities of unlisted companies are as follows:

Company	No. Shares	Book Value before Valuation	Fair Value	Unrealized (Loss) Profit
Kuwaiti Jordanian Holding Co.	174,000	43,960	43,960	-
Dead Sea Company for Truism Investments	177,55	177,500	177,500	-
		3,833,275	1,195,960	-

Total number of shares blocked against membership in the following investees' board of directors is 100,500 shares:

Company	No. Shares
International Company - vegetarian oil	20,000
Delta Insurance Co.	500
Bank El Mal	25,000
Amwaj Real Estate Company	50,000
Pearl Sanitary Paper Co.	5,000
Total	100,500

13) **Due to banks**

This item represents the credit facilities granted to the Company from local banks (in both JOD and USD currencies), bearing average interest rates ranging from 3% to 9% per annum. The outstanding balance of due to banks as of December 31, 2016 was JOD 1,128,133 (JOD 5,808,754 as of December 31, 2015). These facilities are granted against personal guarantees from shareholders.

14) Loans

This item represent the loans granted to the Company from local banks against personal guarantees from shareholders. Details of these loans are as follows:

	2016		2015	
Bank	**Short-term**	**Long-term**	**Short-term**	**Long-term**
Arab Bank (1)	2,410,600	14,605,400	-	6,806,400
Arab Bank (2)	1,418,000	-	1,418,000	-
Etihad Bank (3)	-	-	744,092	-
Total	3,828,600	14,605,400	2,162,092	6,806,400

Arab Bank (1):

During 2013, The Company has signed a loan agreement with Arab Bank amounting to USD 28,000,000. The loan bears an interest rate similar to interest rate applicable on the LIBOR - 3 months plus a margin of 2.5% with a minimum interest rate of 4% per annum. The purpose of this loan is to settle the overdrafts ceilings granted to the Group in different currencies in the amount of USD 17,200,000, the declining loan in the amount of USD 6,300,000 and the temporary excess in amounts withdrawn from banks overdrafts.

The loan principal is repayable over 24 equal quarterly installments of USD 1,200,000 (except the last installment in the amount of USD 400,000) starting from March 30, 2014.

During 2015, an amount of USD 18,400,000 was paid into the loan by partners (Elia Nuqul and sons Co.).

On March 9, 2016, the Company has signed an addendum to increase the loan balance by USD 14,400,000 to replace the facilities granted by Etihad Bank, Bank of Jordan, Housing Bank and Kuwaiti Bank.

The total amount of the loan after increase is repayable over 28 equal quarterly installments of USD 850,000 (except the last installment in the amount of USD 1,050,000) starting one year after signing the addendum.

According to the aforementioned addendum, interest rate has been adjusted to LIBOR 3 – months plus a margin of 2.75% with a minimum interest rate of 3.5%.

The bank has the right to adjust the interest margin providing that a notice is issued to the Company before 30 from the date of adjustment.

Interest is calculated based on the loan daily outstanding balance and paid every three months.

Arab Bank (2):

During 2016, Quality Printing Press Company (subsidiary) has signed a revolving loan agreement with Arab Bank amounting to USD 2,000,000 to finance letters of credit. The loan bears an interest rate similar to interest rate applicable on the LIBOR plus a margin of 2% with a minimum interest rate of 3.25% per annum. The loan is repayable after six months from the date of withdrawal.

Etihad Bank (3):

During 2012, The Company has signed a loan agreement with Etihad Bank amounting to USD 5,000,000 to finance export sales. The loan bears a minimum interest rate of 5.25% per annum. The loan is repayable over one installment every six months. During August 2013, the loan has been rescheduled, and the new loan balance of USD 4,239,000 is repayable over monthly installments starting from February 1, 2014, with last installment due on July 1, 2016.

The aggregate amounts (in JOD) and maturities of the loans are as follows:

Year	Amount
2018	2,410,600
2019	2,410,600
2020	2,410,600
2021	2,410,600
2022	2,410,600
2023	2,552,400
Total	14,605,400

The above loans are granted against personal guarantees from shareholders

15) Other credit balances

	As of December 31,	
Jordanian Dinar	2016	2015
Sales tax	190,602	179,764
Tax deduction deposits	168,306	168,366
Accrued expenses	117,139	77,994
Sales commissions	34,969	28,467
Provision for legal cases – labor	23,000	15,000
Social security	13,027	11,188
Other	7,229	14,131
Deferred revenue	-	33,750
Total	554,272	528,660

16) Capital

Upon the approval of the Board of Security and Exchange Commission (No. 204/2012) dated May 22, 2012, the authorized paid up capital increased from JOD 500,000 (1 JOD /share) to JOD 14,500,000 (1 JOD /share) through offering the incremental shares for subscription by the Company's existing shareholders. Use of these shares are restricted for two years from the date of subscription.

The Company owns the following subsidiaries as of December 31, 2016 and 2015:

Company Name	Paid up Capital		Ownership %		Nature of Operation
	2016	2015	2016	2015	
Quality Food *	3,000,000	3,000,000	98.20	98.20	Producing cooked meat& real estate leasing
Quality Printing Press	3,160,000	3,160,000	82.59	82.59	Stationery& accessories
Oran for Investments	10,000	10,000	100.00	100.00	Investment
Integrated Mining	10,000	10,000	100.00	100.00	Mining and exploration

During 2015, Quality Food Company amended its objectives at the Ministry of Industry and Trade by adding the objective of leasing. As a result, the financial statements of Quality Food Company for the years ended December 31, 2015 and 2016 have been prepared in accordance with the going concern basis instead of the liquidation basis used in preparing its financial statements for the year ended December 31, 2014.

17) Statutory reserve

This item represents total amounts deducted from annual pre-tax net profit (10%) for the account of the statutory reserve according to the Companies Law of Jordan. Amounts accumulated in this account are not subject to distribution to the shareholders.

18) Accumulated losses

On April 10, 2016, the subsidiary (Quality Printing Press Company) has amortized an amount of JOD 300,000 from its 2015 accumulated losses through the current account of Investments & Integrated Industries Company (partner current account). The share of non-controlling interest in these losses in the amount of JOD 52,215 was recognized as losses by Investments & Integrated Industries Company in their statement of income.

19) Sales

Jordanian Dinar	For the year ended December 31, 2016	2015
Local sales - net	9,715,230	9,093,966
Export sales - net	121,443	386,259
Total	9,836,673	9,480,225

20) Cost of sales

Jordanian Dinar	For the year ended December 31, 2016	2015
Raw material used in production	6,120,763	6,832,667
Cost of finished goods	1,610,341	1,610,454
Add: Manufacturing overheads:		
Employees' salaries, wages and benefits	334,213	323,022
Social security contributions	44,961	46,128
Labor transportation	39,191	41,518
Depreciation	61,548	61,548
Maintenance	63,766	90,002
Utilities	44,403	46,584
Temporary labor	32,250	69,844
Insurance	8,473	8,807
Medical insurance and treatments	22,611	20,006
Consumables	21,798	12,351
Miscellaneous	16,664	37,384
Uniforms	4,338	7,389
Total manufacturing overheads	694,216	764,583
Add: Work in progress – beginning balance	74,262	36,945
Less: Work in progress – ending balance	(82,515)	(74,262)
Cost of manufactured and ready goods	8,417,067	9,170,387
Add: Finished goods – beginning balance	2,617,688	1,743,146
Less: Finished goods – ending balance	(2,618,730)	(2,617,688)
Cost of Sales	8,416,025	8,295,845

21) General, administrative and marketing expenses

	For the year ended December 31,	
Jordanian Dinar	2016	2015
Employees' salaries, wages and benefits	441,202	377,709
Governmental fees and expenses	89,529	75,519
Professional expenses	73,136	78,600
Depreciation	87,561	88,001
Social security contributions	60,019	45,527
General maintenance	18,534	15,759
Miscellaneous	16,064	18,260
Communication	6,372	4,230
Travel and transportation	19,886	39,498
Cleaning and entertainment	9,459	11,375
Stationery and computer expenses	13,797	14,244
Security and guarding	21,259	16,613
Medical insurance and treatments	17,319	15,226
Vehicles expenses	124.657	91,443
Tenders expenses	38,957	15,580
Insurance	21,357	6,190
Sales commission	95,000	36,000
Advertisement and exhibitions	81634	61,160
Samples and gifts	15,366	5,941
Rent – Aqaba office	2,540	2,400
Temporary labor	7,295	4,176
Prior years adjustments	7,500	-
Amortization of trade mark	5,328	-
Provision for legal cases – labor	8,000	-
	1,281,771	1,023,451

22) Other income

	For the year ended December 31,	
Jordanian Dinar	2016	2015
Dividends received	360,122	866,777
Rental revenue	94,500	135,000
Sale of spare parts and defect items	41,786	40,917
Other gains (losses)	881	(1,028)
Currency translation differences	(2,062)	(258)
Gain on sale of property and equipment	1,556	-
	496,783	1,041,408

23) Related parties' transactions:

Parties are considered related parties when one party has control or significant influence over the other party. Following is a summary of related party transactions and balances:

- Granting and obtaining finance from related parties, with interest being determined based on the interest rates agreed upon with the banks on other facilities.

- Balances and transactions with related parties are as follows:

Jordanian Dinar	As of December 31, 2016	2015
Included in the consolidated statement of financial position:		
Accounts receivable (note 6)	315,859	350,861
Accounts payable (Note 6)	1,290,214	6,210,770
Included in the consolidated statement of income:		
Interest expenses	8,297	28,483
Interest income	(25,974)	(181,019)
Net Interest	(17,677)	(152,536)

- Salaries and other benefits for key management personnel of the Company (General Manager and Financial Manager) for the year ended December 31, 2016 amounted to JOD 92,288 (JOD 86,875 for the year ended December 31, 2015).
- Sales to sister companies in 2016 amounted to JOD 61,142.
- Purchases from sister companies in 2016 amounted to JOD 61,142

24) Income and sales tax

We set out here below the Group's income and sales tax status as of December 31, 2016:

Investments & Integrated Industries Company:

Income tax:

- Tax returs for the years 2010 – 2015 have been submitted to the Tax Department.
- Income tax for the years 2009 – 2014 are finalized with the Tax Department.
- No definit amounts due to Tax Department.

Sales tax:

- Sales tax returns up to December 31, 2014 are audited by the Tax Department.
- Sales tax returns up to December 31, 2016 are reviewed by the Company's Tax Advisor.
- No definit amounts due to Tax Department.

Quality Printing Press Company:

Income tax:

- Tax returs (Amman and Aqaba branches) up to December 31, 2015 have been submitted to the Tax Department.
- Income tax (Amman and Aqaba branchs) up to December 31, 2014 are finalized with the Tax Department.
- No definit amounts due to Tax Department (Amman and Aqaba branches).

Sales tax:

- Sales tax returns up to August 31, 2014 are audited by the Tax Department.
- Sales tax returns up to December 31, 2016 are reviewed by the Company's Tax Advisor.
- No definit amounts due to Tax Department.

Quality Food Company:

Income tax:

- Tax returs for up to December 31, 2015 have been submitted to the Tax Department.
- Income tax up to December 31, 2014 are audited by the Tax Department.
- Income tax for the years 2009 and 2010 are still pending (lawsuit).
- No definit amounts due to Tax Department.

Sales tax:

- Starting from June 30, 2015, the Company's sales tax registration has been canceled, therefore, a final adjusted sales tax return has been submitted and the outstanding amount settled.

Integrated Mining Company:

Income tax:

- Tax returs for up to December 31, 2015 have been submitted to the Tax Department.
- Income tax up to December 31, 2014 are audited by the Tax Department.
- No definit amounts due to Tax Department.

Sales tax:

- Sales tax returns up to August 31, 2015 are audited by the Tax Department.
- Sales tax returns up to December 31, 2016 are reviewed by the Company's Tax Advisor.
- No definit amounts due to Tax Department.

Oran for Investment Company:

Income tax:

- Tax returs for up to December 31, 2015 have been submitted to the Tax Department.
- Income tax up to December 31, 2014 are audited by the Tax Department.
- No definit amounts due to Tax Department.

25) Basic and diluted (loss) profit per share

Jordanian Dinar	2016	2015
(Loss) profit for the year	(300,896)	466,322
Weighted average number of shares	14,599,000	14,500,000
Basic and diluted (loss) profit per share for the year (JOD/Fills)	(2.1%)	3.2%

The basic and diluted earnings per share are equal.

The Company owns the following subsidiaries as of December 31, 2016 and 2015:

26) Subsidiaries

Company Name	Paid up Capital		Ownership %		Nature of Operation
	2016	2015	2016	2015	
Quality Food *	3,000,000	3,000,000	98.20%	98.20%	Producing cooked meat and real estate leasing
Quality Printing Press	3,160,000	3,160,000	82.59%	82.59%	Stationery and library accessories
Oran for Investments	10,000	10,000	100.00%	100.00%	investment
Integrated Mining	10,000	10,000	100.00%	100.00%	Mining and exploration

During 2015, Quality Food Company amended its objectives at the Ministry of Industry and Trade by adding the objective of leasing. As a result, the financial statements of Quality Food Company for the years ended December 31, 2015 and 2026 have been prepared in accordance with the going concern basis instead of the liquidation basis used in preparing its financial statements for the year ended December 31, 2014.

27) Operating Segment

The Company operates its activities in major operating segments, which represents investment, food and real estate leasing, and Printing. The following table presents information on the operating segments for the year ended December 31, 2016:

Jordanian Dinar	Investment	Food& RE Leasing	Printing	Elimination	Total
Revenues	-	94,500	9,836,673	-	9,931,173
Net financing expenses	(627,523)	-	(279,261)	73,504	(833,280)
(Loss) profit for the year	(299,101)	(64,817)	78,315	-	(285,603)
Company's share in associate loss	(1,113)	-	-	-	(1,113)
Segment total assets	23,760,152	3,741,219	9,127,069	(10,143,279)	26,485,161
Segment total liabilities	22,148,011	195,124	7,321,386	(6,427,020)	23,237,501
Investment in associate	1,126,786	-	-	-	1,126,786

28) Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk (currency & interest rate risk)
- Capital management

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The management has overall responsibility for the establishment and oversight of Group's risk management framework.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

- **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables, due from related parties, and other debt balances, cash and cash equivalent

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Account	Carrying value as at	
Jordanian Dinar	2016	2015
Cash and cash equivalents	8,259	66,698
Accounts receivable and other debit balances	2,729,669	2,153,963
Checks under collection	1,234,098	1,831,784
Due from related parties	315,859	350,861
Loans to related parties	250,000	300,000
	4,537,885	4,703,306

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the company's customer base, including the default risk of the industry and country in which customer operate, has less of an influence on credit risk.

- **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations when the become due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contracted maturities of financial liabilities (quantitative analysis of liquidity risk as of December 31, 2016):

Account	Book value	Contractual cash flow	Less than one year	More than one year
Jordanian Dinar				
Accounts payables and other credit balances	2,385,154	2,385,154	2,385,154	-
Due to banks	1,128,133	1,500,000	1,128,133	-
Due to related parties	1,290,214	1,290,214	1,290,214	-
Bank loans	18,434,000	18,434,000	3,828,600	14,605,400
	23,237,501	23,609,368	8,632,101	14,605,400

- **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the Group's profit or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The following is a quantitative analysis of market risk as of December 31, 2016:

Account	JOD	USD	Total
Cash and cash equivalent	8,259	-	8,259
Accounts receivable and other debit balances	2,729,669	-	2,729,669
Due to related parties – net	(974,355)	-	(974,355)
Financial assets at fair value through other comprehensive income	15,148,265	-	15,148,265
Accounts payable and other credit balances	(2,385,154)	-	(2,385,154)
Due to banks	(1,128,133)	-	(1,128,133)
Bank loans	-	(18,434,000)	(18,434,000)
Total	13,398,551	(18,434,000)	(5,035,449)

- Currency Risk

The Group's exposure to foreign currency risk is resulted from sales, purchasing and financing in USD (exchange rate of USD to JOD is 0.71 as of December 31, 2016). Currency risk has not been hedge by the group foreign currency risk. The following analysis demonestrate the sensitivity of the consolidated statement of income to change in JOD exchange rate against USD by 10%, with all other variables constant:

Jordanian Dinar	**2016**	**2015**
Increase in JOD exchange rate against USD by 10%	1,834,400	1,351,396
Decrease in JOD exchange rate against USD by 10%	(1,834,400)	(1,351,396)

- Interest rate risk:

Interest rate risk represents the risk of changes in interest rates in the market. In this regard loans and other bank facilities bear fixed and variable interest rates.

- Capital management

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There have been no changes in the group's approach to capital management during the year neither the group is subject to externally imposed capital requirements.

Debt-to-adjusted Capital Ratio

Account	**2016**	**2015**
Jordanian Dinar		
Total Debt	23,237,501	23,518,013
(Less) cash and cash equivalents	(8,259)	(66,698)
Net Debt	23,229,242	23,451,315
Shareholders' equity	3,247,660	6,584,545
Adjusted capital	3,247,660	6,584,545

29) Contingent liabilities

This item consists of the following:

a. Letters of credit and bank guarantees:

- Letters of credit JOD 1,457,616
- Bank guarantees JOD 323,760

b. Litigations: Income tax claims - Quality Food Company:

- An amount of JOD 293,949 in addition to a penalty in the amount of JOD 235,159 was assessed and claimed by Income Tax Department on 2011 income. The Company has objected the assessment in the court of law. The legal and tax advisors of the Company are unable to reliably assess the outcome of the lawsuit.
- An amount of JOD 73,037 was assessed and claimed by Income Tax Department on 2010 income. The Company has objected the assessment in the court of law. The legal advisor of the Company is unable to reliably assess the outcome of the lawsuit.

The Company's management believes that the provision taken against the above two claims of approximately JOD 168,000 is adequate to meet any obligations that may arise.

c. Other:

The Company is defendant in a number of lawsuits in the ordinary course of business representing legal recovery claims amounting to USD 25,000.

30) Standards issued but not yet effective

The following is a summary of the new standards, amendments and improvements to standards and interpretations that have been issued but not yet effective.

IFRS 9 Financial instruments

During July 2014, the IASB issued IFRS 9 "Financial Instruments" with all the three phases. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 replaces IAS 39: "Financial Instruments: Recognition and Measurement". IFRS 9 as issued in July 2014 will be implemented at the mandatory date on 1 January 2018 with early adoption permitted, which will have an impact on the recognition and measurement of financial assets.

IFRS 15 Revenue from contracts with customers

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS 15 supersedes IAS 11 Construction Contracts. IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue-Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2018 with early adoption permitted.

IFRS 16 Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. This standard substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases of finance leases, and to account for those two types of leases differently.

IFRS 16 introduced a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a leased liability representing its obligation to make lease payment.

The new standard will be effective for annual periods beginning on or after 1 January 2019 with early adoption permitted.

IFRIC Interpretation 22 Foreign currency transactions and advance consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related assets, expenses or income (or part of it) on the de-recognition of a non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset on non-monetary liability arising from the advance consideration. Entities may apply the amendments on a fully retrospective or prospective basis. The new interpretation will be effective for annual periods beginning on or after 1 January 2018. Early implementation is permitted and must be disclosed.

Amendments to IAS 7 statement of cash flows

The amendments to AS 7 Statement of Cash Flows require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities (cash flows and non-cash changes). The amendments will be effective for annual periods beginning on or after 1 January 2017 with early adoption permitted.

IFRS 2 Classification and measurement of share-based payment transactions – amendments to IFRS 2

IFRS 2 Share-Based Payment has been amended to address the effect of vesting conditions on measurement of a cash-settled share-based payment transactions, in addition to the accounting for a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

Entities may apply the amendments prospectively and are effective for annual periods beginning on or after 1 January 2018 with early adoption permitted.

Amendments to IFRS 4 applying IFRS 9 financial instruments with IFRS 4 insurance contracts

IFRS 4 was amended to address issues arising from the different effective dates of IFRS 9 and the upcoming new insurance contracts standard. The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, a temporary exemption from implementing IFRS 9, and an overlay approach that allows an entity applying IFRS 9 to reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period.

Amendments to IAS 40 Transfer of investment property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

The amendments will be effective for annual periods beginning on or after 1 January 2018 with early adoption permitted.

Other new and revised IFRSs but not yet effective and not early adopted

Annual Improvements to IFRS Standards 2014 — 2016 cycle amending IFRS 1, IFRS 12 and IAS 28.	• The amendments to IFRS I and IAS 28 are effective for annual periods beginning on or after 1 January 2018 with early adoption permitted. • The amendment to IFRS 12 are effective for annual periods beginning on or after 1 January 2017 with early adoption permitted.
Amendments to IAS 12 Income Taxes relating to the recognition of deferred tax assets for unrealized losses.	The amendment to IAS 12 are effective for annual periods beginning on or after 1 January 2017 with early adoption permitted.
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from the investor to its associate or joint venture.	Effective date deferred indefinitely. Early adoption before determining the effective date for implementation is permitted.