



UNION LAND
DEVELOPMENT

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هيئة الأوراق المالية
والإدارة / الامان
٢٠١٨
الرقم التسلسلي
الجهة المختصة

للمصاح
* بورصة عمان
* المصاح
* التبر

البيانات نموذج رقم (5-1) Form No. (1-5)	
To: Jordan Securities Commission Amman Stock Exchange Date: 15/5/2018 Ref: 154/2018/gen.1 Subject: Quarterly Report as of 31/3/2018	السادة هيئة الأوراق المالية السادة بورصة عمان التاريخ: - 2018/5/15 الرقم : 154/2018/gen.1 الموضوع: التقرير ربع السنوي كما هي في 2018/3/31
Attached the Quarterly Report of (Union Land Development. P.L.C) in English as of 31/3/2018	مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة (شركة الإتحاد لتطوير الأراضي م.ع.م) باللغة الإنجليزية كما هي بتاريخ 2018/3/31
Kindly accept our highly appreciation and respect Union Land Development. P.L.C General Manager Signature Muath Mustafa Enayah	وتفضلوا بقبول فائق الاحترام،،، شركة الإتحاد لتطوير الأراضي م.ع.م توقيع المدير العام معاذ مصطفى عنايه

شركة الإتحاد لتطوير الأراضي
المساهمة العامة المحدودة
عمان الأردن

UNION LAND DEVELOPMENT CORPORATION
PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)

31 MARCH 2018



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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF UNION LAND DEVELOPMENT CORPORATION
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Union Land Development Corporation (the "Company") and its subsidiaries (the "Group") as at 31 March 2018, comprising of the interim consolidated statement of financial position as at 31 March 2018 and the related interim consolidated statements of profit or loss, interim consolidated statements of other comprehensive income, interim consolidated statements of changes in equity and interim consolidated statements of cash flows for the three months period then ended and explanatory information. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the independent Auditor of the Entity". A review of Interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Qualified Conclusion

The Group's management did not perform impairment testing on its projects under construction amounted to JD 6,915,888 as at 31 March 2018 in which there has been no additional work on that project since the year 2012. In accordance with international Financial reporting standards, if an indication exists that an asset may be impaired, the asset's recoverable amount should be estimated and where the carrying amount exceeds the asset's recoverable amount, the asset is considered impaired. We were not provided with a comprehensive study to assess the project's revocable amount, and accordingly, we were unable to verify the related financial effect on the interim condensed consolidated financial statements, if any



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Qualified conclusion

Based on our review, except for the effect of the matters described in the basis of qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Emphasis of a matter

- As disclosed in note (9) to the interim condensed consolidated financial statements, investment properties include land plots amounting to JD 2,785,399 that are not registered in the name of the Group as at 31 March 2018.
- Financial asset at fair value through other comprehensive income includes investments in funds with a fair value of JD 1,740,000 that are not registered in the name of the Group as at 31 March 2018.

Other matters

The interim condensed consolidated financial statements for the period ended in 31 March 2018 were reviewed by another auditor who issued an unqualified conclusion on 26 April 2017.

Amman – Jordan
30 April 2018

Ernst + Young

UNION LAND DEVELOPMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Notes	31 March 2018 JD (Unaudited)	31 December 2017 JD (Audited)
ASSETS			
Non-current assets -			
Property, plant and equipment	6	2,606,892	2,622,198
Projects under construction		6,915,888	6,913,443
Investment properties	9	46,464,429	46,492,770
Financial assets at fair value through other comprehensive income		2,336,567	2,505,559
		<u>58,323,776</u>	<u>58,533,970</u>
Current assets-			
Inventories		25,611	25,611
Accounts receivable		204,408	215,832
Other current assets		404,927	696,012
Due from related parties	5	5,290,428	4,723,646
Cash and bank balances		214,884	12,902
		<u>6,140,258</u>	<u>5,674,003</u>
		<u>64,464,034</u>	<u>64,207,973</u>
Total Assets			
EQUITY AND LIABILITIES			
Equity -			
Equity attributable to equity holders of the parent -			
Paid in capital	1	42,065,129	42,065,129
Share premium		4,253,659	4,253,659
Statutory reserve	3	1,717,194	1,717,194
Voluntary reserve	3	1,495,745	1,495,745
Other reserves		1,309,287	1,309,287
Fair value reserve		71,418	(137,770)
Retained earnings		3,653,887	3,690,966
		<u>54,566,319</u>	<u>54,394,210</u>
Non-controlling interests		1,863	1,863
		<u>54,568,182</u>	<u>54,396,073</u>
Total equity			
Liabilities -			
Non-current liabilities -			
Long term loans	10	2,044,757	2,044,801
Current liabilities -			
Current portion of long term loans	10	1,900,000	2,368,148
Bank overdrafts	7	52,236	63,058
Accounts payable and other current liabilities		5,579,719	5,016,753
Income tax provision	4	319,140	319,140
		<u>7,851,095</u>	<u>7,767,099</u>
		<u>9,895,852</u>	<u>9,811,900</u>
Total liabilities		<u>64,464,034</u>	<u>64,207,973</u>
Total Equity and Liabilities			

The attached notes from 1 to 11 form part of these interim condensed consolidated financial statements

UNION LAND DEVELOPMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS ENDED IN 31 MARCH 2018 (UNAUDITED)

	Note	For the three months ended in 31 March	
		2018 JD	2017 JD
Rental revenue	11	698,084	698,133
Total revenue		698,084	698,133
Rental costs		(114,435)	(143,150)
Commodore Hotel operating expenses		(18,914)	(5,313)
Gross profit		564,735	549,670
Administrative expenses		(282,355)	(273,862)
Finance costs		(92,505)	(137,139)
Other expenses		(5,799)	(10,973)
Profit for the period		184,076	127,696
Attributable to:			
Equity holders of the parent		184,076	127,696
Non-controlling interests		-	-
		184,076	127,696
		Fils / JD	Fils / JD
Basic and diluted earnings per share attributable to equity holders of the parent		0/004	0/003

The attached notes from 1 to 11 form part of these interim condensed consolidated financial statements

UNION LAND DEVELOPMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED IN 31 MARCH 2018 (UNAUDITED)

	For the three months ended in 31 March	
	2018	2017
	JD	JD
Profit for the period	184,076	127,696
Add: other comprehensive income items not to be reclassified to profit or loss in subsequent periods, net of tax:		
Net (loss) gain on sale of financial assets at fair value through other comprehensive income	(11,967)	789,039
Total comprehensive income for the period	172,109	916,735
Attributable to:		
Equity holders of the parent	172,109	916,735
Non controlling interests	-	-
	172,109	916,735

The attached notes from 1 to 11 form part of these interim condensed consolidated financial statements

UNION LAND DEVELOPMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED IN 31 MARCH 2018 (UNAUDITED)

	Attributable to equity holders of the parent														
	Paid in capital						Retained earnings						Non-controlling interests		
	JD	Share premium	Statutory reserve	Voluntary reserve	Other reserves	Fair value reserve	JD	JD	JD	JD	JD	JD	JD	JD	Total
For the Three months ended in 31 March 2018 -															
Balance as at 1 January 2018	42,065,129	4,253,659	1,717,194	1,495,745	1,309,287	(137,770)	3,690,966	54,394,210	1,863	54,396,073					
Profit for the period	-	-	-	-	-	-	184,076	184,076	-	184,076					184,076
Other comprehensive income items	-	-	-	-	-	(11,967)	-	(11,967)	-	(11,967)					(11,967)
Loss on sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	221,155	(221,155)	-	-	-					-
Balance at 31 March 2018	42,065,129	4,253,659	1,717,194	1,495,745	1,309,287	71,418	3,663,887	54,566,319	1,863	54,568,182					
For the Three months ended in 31 March 2017 -															
Balance as at 1 January 2017	42,065,129	4,253,659	1,584,652	1,495,745	1,309,287	326,326	1,518,262	52,553,060	1,863	52,554,923					
Profit for the period	-	-	-	-	-	-	127,696	127,696	-	127,696					127,696
Other comprehensive income items	-	-	-	-	-	789,039	-	789,039	-	789,039					789,039
Gain on sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	(17,465)	17,465	-	-	-					-
Balance at 31 March 2017	42,065,129	4,253,659	1,584,652	1,495,745	1,309,287	1,097,900	1,663,423	53,469,795	1,863	53,471,658					

The attached notes from 1 to 11 form part of these interim condensed consolidated financial statements

UNION LAND DEVELOPMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED IN 31 MARCH 2018 (UNAUDITED)

	Note	For the three months ended in 31 March	
		2018 JD	2017 JD
<u>OPERATING ACTIVITIES</u>			
Profit for the period		184,076	127,696
Adjustments for -			
Depreciation		17,412	12,212
Deprecation of investment properties		104,520	104,520
Finance costs		92,505	137,139
Working capital changes -			
Inventories		-	3,204
Accounts receivable and other current assets		302,509	(25,140)
Accounts payable and other current liabilities		562,966	(250,766)
Related parties		(566,782)	(2,141,376)
Income tax paid		-	(8,251)
Net cash flows from (used in) operating activities		<u>697,206</u>	<u>(2,040,762)</u>
<u>INVESTING ACTIVITIES</u>			
Purchase of property, plant and equipment		(2,106)	(2,340)
Proceeds from sale of property, plant and equipment		-	896,407
Purchase of investment properties		(76,179)	-
Purchase of financial assets at fair value through other comprehensive income		(1,821,703)	(95,808)
Proceeds from sale of financial assets at fair value through other comprehensive income		1,978,728	1,980,037
Projects under construction		(2,445)	(2,445)
Net cash flows from investing activities		<u>76,295</u>	<u>2,775,851</u>
<u>FINANCING ACTIVITIES</u>			
Repayment of loans		(468,192)	(629,245)
Finance costs paid		(92,505)	(137,139)
Net cash flows used in financing activities		<u>(560,697)</u>	<u>(766,384)</u>
Net increase (decrease) in cash and cash equivalents		212,804	(31,295)
Cash and cash equivalents at 1 January		(50,156)	(160,951)
Cash and cash equivalents at 31 March	8	<u>162,648</u>	<u>(192,246)</u>

The attached notes from 1 to 11 form part of these interim condensed consolidated financial statements

UNION LAND DEVELOPMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2018 (UNAUDITED)

(1) GENERAL

Union Land Development Corporation (the "Company") was established as a public shareholding company on 1 August 1995, under the registration number (288) and paid in capital of JD 42,065,129 divided into 42,065,129 shares at a par value of JD 1 per share.

The Company was registered as an entity in Aqaba Special Economic Zone Authority under No. 1101032808 dated 28 March 2001.

The Company's current main activity is the establishment and management of tourism enterprises and the investment of their funds in shares, bonds, lands and real estate development, in addition to the establishment, ownership, operation, management and investment of hotels.

The interim condensed consolidated financial statements were approved by the Company's Board of Directors in their meeting held on 30 April 2018.

2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION -

The interim condensed consolidated financial statements for the three months period ended in 31 March 2018 have been prepared in accordance with International Accounting Standard 34 (Interim Financial Reporting).

The interim condensed consolidated financial statements do not contain all information and disclosures required for the annual financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual report as of 31 December 2017. In addition, the results for the Three months period ended 31 March 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018.

(2-2) BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS -

The consolidated financial statements comprise of the Company's financial statements and its subsidiaries (together the "Group").

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

(2-3) CHANGES IN ACCOUNTING POLICIES -

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018:

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group had previously implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011.

IFRS 9 requires the Group to record an allowance for expected credit losses for all debt instruments measured at amortization cost.

IFRS 9 (financial instruments) has eliminated the use of the incurred loss approach under IAS 39 (financial instrument: Recognition and measurement) by including a comprehensive model for the recognition and recording of forward looking expected credit loss, uses the revised hedge accounting framework, and the revised guidance on the classification and measurement requirements.

Impairment

The adoption of IFRS 9 (financial instruments) has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing the incurred loss approach with a forward-looking expected credit loss (ECL) approach.

For all debt instruments, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has no debt instruments at amortization cost; therefore, there was no effect on changing the accounting policy as a result of implementing IFRS 9.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

UNION LAND DEVELOPMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2018 (UNAUDITED)

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The impact of adopting IFRS 15 was not material on the interim condensed financial statements and impacted its accounting policy for revenue recognition as detailed below:

(a) Apartments sale

The Group has concluded that revenue from apartments sale should be recognized at the point in time when control of the asset is transferred to the customer generally on handing off the apartment. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

This Interpretation does not have any impact on the Group's interim condensed consolidated financial statements.

Amendments to IAS 40 Transfers 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.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

Amendments to IAS 28 Investments in Associates and Joint Ventures - measuring investees at fair value through profit or loss.

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements

(3) STATUTORY RESERVE

The Group did not appropriate for statutory reserve in accordance with the Jordanian Companies Law as these financial statements are interim condensed consolidated financial statements.

UNION LAND DEVELOPMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 31 MARCH 2018 (UNAUDITED)

(4) INCOME TAX

Income tax provision for the three months ended in 31 March 2018 and 2017 was calculated in accordance with the Income Tax Law No. (34) of 2014.

The Income and Sales Tax Department reviewed the accounting records of the Company and its subsidiaries up to the year 2012.

Income and Sales Tax Department did not review the Group's accounting records for the years 2013, 2014, 2015, 2016 and 2017 up to the date of these interim condensed consolidated financial statements.

(5) RELATED PARTIES

These interim condensed consolidated financial statements include the financial statements of the Company and the following subsidiaries:

	Country	Paid In Capital JD	Main Activity	Percentage Of Ownership %
Nibal Housing Company LLC	Jordan	30,000	Land Development	100
Paradise Contracting LLC	Jordan	50,000	Contracting	100
Adam Investment Company LLC	Jordan	30,000	Investment in properties	100
Paradise Architectural Industries LLC	Jordan	100,000	Architectural	100
Thiban Real Estate Investment LLC	Jordan	30,000	Land development	100
Al Mahila Real Estate Investment LLC	Jordan	1,000	Land development	100
Al Amiri Real Estate Investments LLC	Jordan	1,000	Land development	100
Al Farait Real Estate Investments LLC*	Jordan	1,000	Land development	100
Al Ghuzlanieh Real Estate Investments LLC	Jordan	1,000	Land development	100
Dhaba'a Real Estate Investment LLC	Jordan	1,000	Land development	100
Al Tajamouat Real Estate LLC	Jordan	150,000	Land development	97,5

Related parties include associates, major shareholders; board of directors members, executive management, as well as companies controlled or have a significant influence directly or indirectly, by those entities.

UNION LAND DEVELOPMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2018 (UNAUDITED)

Balances with related parties included in the interim consolidated statement of financial position are as follows:

	31 March 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
Due from related parties:		
Union Tobacco and Cigarette Industries (Sister Company)	1,994,445	1,994,078
Union Investment Corporation (Parent Company)	3,295,983	2,729,568
	<u>5,290,428</u>	<u>4,723,646</u>

Key management salaries and bonuses:

The Group's key management salaries and bonuses amounted to JD 8,910 for the three months ended in 31 March 2018 against JD 4,910 for the three months ended in 31 March 2017.

(6) PROPERTY, PLANT AND EQUIPMENT

Additions to property, plant and equipment amounted to JD 2,106 for the three months ended in 31 March 2018 (31 March 2017: JD 2,340).

(7) BANK OVERDRAFTS

This item represents the utilized portion of the facilities granted to the Group. The details of this item are as follows:

	Currency	Average interest rate	Ceiling	Utilized balance
			JD	JD
Jordan Kuwait Bank	JD	8%	300,000	52,236
				<u>52,236</u>

UNION LAND DEVELOPMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2018 (UNAUDITED)

(8) CASH AND CASH EQUIVALENTS

For the purpose of interim consolidated statement of cash flows, cash and cash equivalents comprise of the following:

	31 March 2018	31 March 2017
	JD	JD
Cash and bank balances	214,884	11,795
Less: bank overdrafts (Note 7)	(52,236)	(204,041)
	<u>162,648</u>	<u>(192,246)</u>

(9) INVESTMENT PROPERTIES

The movement on investment properties is as follow:

	31 March 2018	31 December 2017
	JD (Unaudited)	JD (Audited)
Cost -		
Balance as at 1 January	49,603,623	49,014,803
Additions	76,179	1,102,337
Disposals – Lands	-	(513,517)
Ending balance as at the end of the period / year	<u>49,679,802</u>	<u>49,603,623</u>
Accumulated depreciation -		
Balance as at 1 January	3,110,853	2,687,840
Depreciation	104,520	423,013
Ending balance as at the end of the period / year	<u>3,215,373</u>	<u>3,110,853</u>
Net book value -		
As at the end of the period / year	<u>46,464,429</u>	<u>46,492,770</u>

Investment properties includes land plots that are not registered in the name of the Group as follows:

	31 March 2018	31 December 2017
	JD (Unaudited)	JD (Audited)
Lands	<u>2,785,399</u>	<u>2,785,399</u>

UNION LAND DEVELOPMENT CORPORATION - PUBLIC SHAREHOLDING COMPANY
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 31 MARCH 2018 (UNAUDITED)

(10) LOANS

This item represents the loans granted from the following parties:

		Loans installments					
		31 March 2018 (Unaudited)			31 December 2017 (Audited)		
Currency		Current	Long-term	Total	Current	Long-term	Total
		portion	portion		portion	portion	
		JD	JD	JD	JD	JD	JD
Bank Al Etihad (1)	JD	-	-	-	25,148	-	25,148
Bank Al Etihad (2)	JD	-	-	-	443,000	-	443,000
Jordan Kuwait Bank	JD	1,900,000	2,044,757	3,944,757	1,900,000	2,044,801	3,944,801
		<u>1,900,000</u>	<u>2,044,757</u>	<u>3,944,757</u>	<u>2,368,148</u>	<u>2,044,801</u>	<u>4,412,949</u>

Bank Al Etihad (1) – JD

During 2013, the Group obtained a loan from Bank Al Etihad with an amount of JD 3,500,000 at an annual interest rate of 9.25% without commission and repayable in quarterly installments of JD 264,000 each including interest. The first installment was due on 1 December 2014 and the last installment is due during the first quarter of 2018. This loan is secured by a mortgage of the first degree on a plot of land number 2157 Shmeisani No. 13. The Group paid the full amount of the loan in the first quarter of 2018.

Bank Al Etihad (2) – JD

During 2017, the Group obtained a loan from Bank Al Etihad with an amount of JD 443,000 at an annual interest rate of 9% without commission and repayable in monthly installments of JD 149,878 each including interest. The first installment was due on 31 January 2018 and the last installment will due on 31 March 2018. This loan is secured by a mortgage of the first degree on a plot of land number 2157 Shmeisani No. 13. The Group paid the full amount of the loan in the first quarter of 2018.

Jordan Kuwait Bank – JD

During 2014, the Group obtained a declining loan from the Jordan Kuwait Bank with an amount of JD 7,900,000 at an annual interest rate of 8% without commission and repayable in semi-annual installments of JD 950,000 each including interest. The first installment was due on 30 May 2015 and the last installment will be due on 30 November 2019. This loan is secured by a mortgage of the first degree on a plot of land No. 266 Alno'ajeyeh Al Mokta'a No. 8 lands of Al Yadoudah village.

(11) OPERATING SEGMENTS

The presentation of key segments is determined on the basis that the risks and rewards related to the Group are materially affected by the difference in the products or services of those segments. These segments are organized and managed separately according to the nature of the services and products, each of which represents a separate unit and is measured according to reports used by the Group's Chief Executive Officer and Chief Decision Maker.

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The Group is organized for administrative purposes through the following two business segments:

- Investment Properties
- Land Development

The Group's management monitors the results of the business segment separately for performance evaluation purposes. Segment performance is evaluated based on operating profit or loss for each segment.

A geographical segment is associated with providing products or services in a specific economic environment that is subject to risks and rewards that differs from those related to business segments in other economic environments.

Revenues, profit, assets and liabilities by business segments are as follows:

	Investment properties	Land Development	Total
	JD	JD	JD
For the three months ended in 31 March 2018 (Unaudited) -			
<u>Revenues:</u>			
Revenues	641,793	56,291	698,084
<u>Segment results:</u>			
Profit for the period	169,566	14,510	184,076
<u>Other segment information:</u>			
Depreciation	(120,114)	(1,818)	(121,932)
Finance costs	(92,505)	-	(92,505)
For the three months ended in 31 March 2017 (Unaudited) -			
<u>Revenues:</u>			
Revenues	644,727	53,406	698,133
<u>Segment results:</u>			
Profit (loss) for the period	255,230	(127,534)	127,696
<u>Other segment information:</u>			
Depreciation	(114,913)	(1,819)	(116,732)
Finance costs	(137,139)	-	(137,139)
As at 31 March 2018 (Unaudited)			
<u>Assets and liabilities:</u>			
Segment assets	55,145,347	9,318,687	64,464,034
Segment liabilities	9,548,635	347,217	9,895,852
As at 31 December 2017 (Audited)			
<u>Assets and liabilities:</u>			
Segment assets	54,937,029	9,270,944	64,207,973
Segment liabilities	9,416,803	395,097	9,811,900