



Ref :

الرقم : ٦٦٨/١٢/٤/٤

Date :

التاريخ : ٢٠١٧ / ١٢ / ٢٩

عطوفة المدير التنفيذي لبورصة عمان

الموضوع : نتائج أعمال الشركة للربع الأول من عام ٢٠١٧

تحية واحتراما،،،

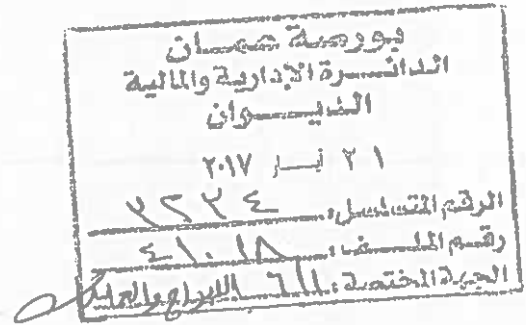
استناداً لأحكام المادة (١٣/ب/١١) من تعليمات ادراج الاوراق المالية في بورصة عمان
رقم (٣/١/٩).

ارجو ان ارفق لعطوفتكم البيانات المالية المرحلية الموحدة والمختصرة لشركة مناجم
الفوسفات الاردنية المساهمة العامة المحدودة كما في ٢٠١٧/٣/٣١ والتي تم مراجعتها من قبل مدقي
حسابات الشركة الخارجيين "المادة ارنست ويونغ".

واقبلوا فائق الاحترام ،،،


سناء قراين

مدير ادارة الشؤون المالية



نسخة/السادة هيئة الأوراق المالية.

JORDAN PHOSPHATE MINES COMPANY
PUBLIC SHAREHOLDING COMPANY
UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2017

**REPORT ON REVIEW OF
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF JORDAN PHOSPHATE MINES CO. PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Jordan Phosphate Mines Company (Public Shareholding Company) ("the Company") and its subsidiaries ("the Group") as at 31 March 2017, comprising of the interim consolidated statement of financial position as at 31 March 2017 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amman – Jordan
30 April 2017



JORDAN PHOSPHATE MINES PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2017
(In Thousands of Jordanian Dinars)

	Notes	31 MARCH 2017 UNAUDITED	31 DECEMBER 2016 AUDITED
ASSETS			
Non-current assets			
Property, plant and equipment	4	240,104	247,197
Projects in progress	4	30,167	30,126
Investments in associates and joint ventures		263,489	273,466
Intangible assets		161,355	162,945
Deferred tax assets		6,063	6,537
Employees' housing loans		5,242	5,481
Financial assets at fair value through other comprehensive income		452	452
Loans receivable		6,781	6,781
Long term accounts receivable		5,076	5,076
Other current assets		975	975
Production and development stripping cost		28,807	30,060
Advance payments on investments		5,000	5,000
		<u>753,511</u>	<u>774,096</u>
Current assets			
Inventories, spare parts and supplies		180,694	199,894
Accounts receivable		131,398	123,683
Other current assets		29,942	24,695
Financial assets at fair value through profit and loss		196	182
Cash on hand and at banks		18,551	13,745
		<u>360,781</u>	<u>362,199</u>
TOTAL ASSETS		<u>1,114,292</u>	<u>1,136,295</u>
EQUITY AND LIABILITIES			
Equity			
Paid-in-capital		82,500	82,500
Statutory reserve		75,000	75,000
Voluntary reserve		75,000	75,000
Special reserve		75,000	75,000
Fair value reserve		(227)	(227)
Retained earnings		395,490	411,076
Equity attributable to Company's shareholders		<u>702,763</u>	<u>718,349</u>
Non – controlling interests		6,649	6,495
Total Equity		<u>709,412</u>	<u>724,844</u>
Non-current liabilities			
Long-term loans	10	68,747	83,912
Compensation and end-of-service indemnity provision		9,426	11,338
Assets deferral provision		13,969	13,775
		<u>92,142</u>	<u>109,025</u>
Current liabilities			
Accounts payable		94,122	79,215
Accrued expenses		51,102	54,425
Other current liabilities		16,878	26,988
Due to banks	6	99,980	101,512
Employees incentives and retirees grants provision		744	1,058
Current portion of long-term loans	10	49,319	38,708
Income tax provision	5	593	520
		<u>312,738</u>	<u>302,426</u>
Total Liabilities		<u>404,880</u>	<u>411,451</u>
TOTAL EQUITY AND LIABILITIES		<u>1,114,292</u>	<u>1,136,295</u>

The attached notes from 1 to 10 form part of these interim condensed consolidated financial statements

JORDAN PHOSPHATE MINES PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2017
(In Thousands of Jordanian Dinars)

	Note	For the three months ended 31 March	
		2017	2016
		Unaudited	
Net sales		146,484	119,719
Cost of sales		(126,988)	(99,765)
Gross profit		19,496	19,954
Selling and marketing expenses		(2,411)	(2,642)
New phosphate port terminal expenses		(2,986)	(3,014)
Aqaba port fees		(1,265)	(726)
Transportation expenses		(13,305)	(10,992)
Administrative expenses		(6,387)	(6,002)
Russiefa mine expenses		(468)	(515)
Mining fees		(4,595)	(4,923)
Other provisions		(97)	(789)
Pension expenses		(270)	-
Other income (expense), net		2,341	(133)
Foreign exchange differences		205	210
Loss from operations		(9,742)	(9,572)
Finance costs		(3,063)	(2,761)
Finance income		67	265
Share of loss of associates and joint ventures		(2,161)	(1,941)
Gain (loss) from revaluation of financial assets at fair value through profit and loss		14	(15)
Loss for the period before income tax		(14,885)	(14,024)
Income tax expense	5	(547)	(2,198)
Loss for the period		(15,432)	(16,222)
Loss attributable to:			
Equity holders of the company		(15,586)	(15,763)
Non-controlling interests		154	(459)
Loss for the period		(15,432)	(16,222)
		JD/Fils	JD/Fils
Basic and diluted loss per share attributable to the equity holders of the parent		(0/189)	(0/210)

The attached notes from 1 to 10 form part of these interim condensed consolidated financial statements

JORDAN PHOSPHATE MINES PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2017
(In Thousands of Jordanian Dinars)

	For the three months ended 31 March	
	2017	2016
	Unaudited	
Loss for the period	(15,432)	(16,222)
Add: Other comprehensive income items not to be reclassified to profit or loss in subsequent periods		
Changes in fair value of financial assets at fair value through other comprehensive income	-	(4)
Total Comprehensive income for the period	<u>(15,432)</u>	<u>(16,226)</u>
Total comprehensive income attributable to:		
Equity holders of the company	(15,586)	(15,767)
Non-controlling interests	154	(459)
Total comprehensive income for the period	<u>(15,432)</u>	<u>(16,226)</u>

The attached notes from 1 to 10 form part of these interim condensed consolidated financial statements

JORDAN PHOSPHATE MINES PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2017
(In Thousands of Jordanian Dinars)

	Reserves			Retained earnings			Non – controlling interests	Total
	Paid in capital	Statutory	Voluntary	Special	Fair Value Reserve	Unrealized Gain*		
For the three months ended 31 March 2017 -								
Balance at 1 January 2017	82,500	75,000	75,000	75,000	(227)	26,179	384,897	6,495
Total comprehensive income for the period	-	-	-	-	-	-	(15,586)	154
Balance at 31 March 2017 (Unaudited)	82,500	75,000	75,000	75,000	(227)	26,179	369,311	6,649
For the three months ended 31 March 2016 -								
Balance at 1 January 2016	75,000	75,000	75,000	75,000	(152)	26,179	481,218	10,973
Total comprehensive income for the period	-	-	-	-	(4)	-	(15,763)	(459)
Balance at 31 March 2016 (Unaudited)	75,000	75,000	75,000	75,000	(156)	26,179	465,455	10,514
								801,992

* An amount of JD 26,179 thousand is restricted which represents the unrealized gain from the revaluation of the investment and acquisition of Indo-Jordan Chemical Company and Nippon Jordan Fertilizer Company during the years 2010 and 2011.

** Included in retained earnings an amount of JD 6,063 thousand which represents deferred tax assets. An amount of JD 227 thousand from the retained earnings is restricted against the negative balance of fair value reserve for financial assets at fair value through other comprehensive income as of 31 March 2017.

JORDAN PHOSPHATE MINES PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2017
(In Thousands of Jordanian Dinars)

		For the three months ended 31 March	
	Note	2017	2016
		Unaudited	
<u>Operating Activities</u>			
Loss for the period before income tax		(14,885)	(14,024)
Adjustments for -			
Depreciation		7,440	5,707
Amortization of new phosphate port terminal		1,590	1,590
Other non-cash items		18,217	19,183
Working capital adjustments:			
Accounts receivable		(7,985)	(13,446)
Other current assets		(5,245)	(6,669)
Employees' housing loans		111	338
Inventories, spare parts and supplies		19,199	(21,346)
Production and development stripping cost		(1,724)	(3,750)
Accounts payable		14,907	(5,194)
Accrued expenses		(5,554)	(2,123)
Other current liabilities		(8,152)	3,470
Employees' compensation and end-of-service indemnity paid		(8,009)	(2,789)
Mining fees paid		(3,000)	(7,000)
Early retirement obligations paid		-	(53)
Income tax paid		-	(3,426)
Withholding tax paid		(44)	(55)
Net cash flows from (used in) operating activities		6,866	(49,587)
<u>Investing Activities</u>			
Property, plant and equipment and payments on projects in progress – net		(1,257)	(802)
Interest received		67	265
Loans receivable		-	(969)
Dividends received from associate and joint venture companies		7,820	-
Investments in associate and joint venture		-	(12,000)
Net cash flows from (used in) investing activities		6,630	(13,506)
<u>Financing Activities</u>			
Proceeds from loans		2,127	35,400
Repayments of loans		(6,681)	(1,628)
Interest paid		(2,604)	(1,830)
Net cash flows (used in) from financing activities		(7,158)	31,942
Net increase (decrease) in cash and cash equivalents		6,338	(31,151)
Cash and cash equivalents at 1 January		(87,767)	(28,505)
Cash and cash equivalents at 31 March	6	(81,429)	(59,656)

The attached notes from 1 to 10 form part of these interim condensed consolidated financial statements

JORDAN PHOSPHATE MINES PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2017
(In Thousands of Jordanian Dinars)

1. General

Jordan Phosphate Mines Company was established in 1949, and became a public shareholding company in 1953. The Company's objectives are to mine and market phosphate rock, produce fertilizers and invest in the establishment of related industries. The head office of the Company is located in Amman. The fertilizers production unit is located in the Industrial Complex in Aqaba. The phosphate rock is extracted, to a large extent, from the mines of Al-Abyad, Al-Hasa, Shidiya. In respect of the mining rights granted to the Company, it is subject to annual mining rights fees of JD 500 / squared Kilometer or any part of squared Kilometer per mined area payable to the Natural Resources Authority. The Company produces chemical fertilizers and related by-products through its subsidiaries (Note 3).

The head office of the Company is located in Shmeisani, Amman - Jordan.

2. Basis of Preparation and Accounting Policies

The interim condensed consolidated financial statements for the three months period ended 31 March 2017 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 2016. In addition, the results for the three months period ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

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 consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards effective as of 1 January 2017.

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

Limited amendments which require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). However, the adoption of these amendments have no impact on the Group's consolidated interim condensed financial statements.

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Un-recognised Losses

Limited amendments to clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference and some other limited amendments, the adoption of these amendments have no impact on the Group's consolidated interim condensed financial statements.

3. Basis of Consolidation

The consolidated financial statements comprise the financial statements of Jordan Phosphate Mines Company public shareholding company and the following subsidiaries 31 March 2017:

- Indo-Jordan Chemicals Company Limited, "Indo-Jordan" (Subsidiary owned 100%, registered in Jordan in the Free Zone Corporation).
- Ro'ya for Transportation Company Limited (Subsidiary owned 100% registered in Jordan).
- Nippon Jordan Fertilizer Company Limited "Nippon" (Subsidiary owned 70%, registered in Jordan in the Free Zone Corporation).

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

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

When the Group owns less than a majority of the voting rights in an investee, in this case, the Group considers all factors and circumstances to determine whether it has control over the investee, which include the following:

- Contractual agreements with shareholders that have voting rights in the investee
- Rights resulting from other contractual arrangements
- The Group's current and future voting rights in the investee

JORDAN PHOSPHATE MINES PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2017
(In Thousands of Jordanian Dinars)

The Group reassesses its control over the investee when circumstances and factors exist that lead to the change in one or more of the three factors listed above.

Subsidiaries are fully consolidated from the date of acquisition being the date on which the Group gains control, and continues to do so until the date when such control ceases. The subsidiaries revenues and expenses are consolidated in the consolidated statement of comprehensive income from the date the Group gains control over the subsidiaries until that control ceases.

Profits, losses, and all other comprehensive income items are attributed to the shareholders' equity of the parent company, and to non-controlling interest, even if this leads to a deficit balance. If need arises, the subsidiaries' financial statements are adjusted accordingly to comply with the Group's accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in the statement of profit or loss and other comprehensive income
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Investors with significant influence on the Group:

Kamil Holding Limited, Government Contribution Management Company, Jordanian Social Security Corporation and Government of Kuwait own 37%, 25.7%, 16.5% and 9.3% of the Company's issued shares, respectively.

JORDAN PHOSPHATE MINES PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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4. Property, Plant and Equipment and Projects in Progress

During the three month period ended 31 March 2017, the Group acquired property and equipment and additions to projects in progress with a cost of JD 1,257 thousand (31 March 2016: JD 802 thousand).

The estimated cost to complete the projects in progress as of 31 March 2017 is approximately JD 2,170 thousand and is estimated to be completed during 2017.

5. Income Tax

The provision for the period ended at 31 March 2017 has been calculated in accordance with the Income Tax Law No. (34) of 2014 and in accordance with the Aqaba Special Economic Authority Law (32) of 2000 for the company's location in the Aqaba Special Economic Authority Zone.

Movement on provision for income tax is as follows:

	31 March 2017 Unaudited	31 December 2016 Audited
At 1 January	520	3,599
Income tax expense	73	4,704
Income tax expense for prior years	-	-
Income tax paid	-	(7,783)
At the end of the period / year	593	520

Movement on deferred tax assets is as follows:

	31 March 2017 Unaudited	31 December 2016 Audited
At 1 January	6,537	7,090
Additions during the period / year	82	594
Released during the period / year	(556)	(1,147)
At the end of the period / year	6,063	6,537

JORDAN PHOSPHATE MINES PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Income tax expense shown in the statement of income compromise of the following:

	31 March 2017 Unaudited
Income tax expenses	73
Amortization of deferred tax assets, net	474
	<u>547</u>

Phosphate Unit-

The Company submitted its tax returns for the Phosphate Unit for the years 2016, 2015, 2014, 2013 and 2012. The Income and Sales Tax Department has reviewed the records of the Phosphate Unit for the years 2013 and 2012 and did not issue its' final report up to the date of the interim condensed consolidated financial statements. The income tax return for the year 2014 was accepted by the Income and Sales Tax Department within the selected sampling basis. Regarding 2015, the Income and Sales Tax Department has not reviewed the records of the Phosphate Unit up to the date of the interim condensed consolidated financial statements.

The Company reached a final settlement with the income tax department for the Phosphate Unit up to 2011.

Fertilizer Unit-

The Company submitted its tax returns for the Fertilizers Unit for the years 2016, 2015, 2014 and 2013. The Company reached a final settlement with the Income Tax Department / Aqaba Special Economic Zone Authority for the fertilizers Unit up to 2012. The Income and Sales Tax Department / Aqaba Special Economic Zone Authority has not reviewed the records of the Fertilizers Unit for the years 2015, 2014 and 2013 up to the date of the interim condensed consolidated financial statements.

JORDAN PHOSPHATE MINES PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(In Thousands of Jordanian Dinars)

6. Cash And Cash Equivalents

	For the three months ended 31 March	
	2017	2016
	Unaudited	
Cash at banks	18,480	29,017
Cash on hand	71	114
	18,551	29,131
Due to banks*	(99,980)	(88,787)
	(81,429)	(59,656)

* This balance represents the utilized amount of overdraft facilities granted by local banks with a ceiling of JD 37,500 thousand for the JD accounts, and USD 71,500 thousand for the USD accounts as of 31 March 2017. The Group had an agreement with a local bank to exceed the ceiling of the USD overdraft facility by USD 16,749 thousand guaranteed by the export letters of credit received by the Company. Average interest rates for the period on those overdrafts facilities range between 7.5% to 8.5% for the JD accounts, and LIBOR (one month or 3 months or 6 months) plus 1.25% to 2.75% with a maximum rate of 4.75% for the USD accounts.

7. Segment Information

The operating segments are presented with a basis that the Group's risks and rewards are materially affected by different products for each segment. These segments are organized and managed separately according to the nature of the products and service provided. Each segment represents a separate unit which is measured according to the reports used by the chief operating decision maker of the Group.

The Phosphate Unit extracts mines and sells phosphate in the local and international markets as well as to the associated companies.

The Fertilizer Unit purchases the phosphate from the Phosphate Unit and uses it in the production of Fertilizers and Phosphoric Acid and Aluminum Fluoride to be sold to the local and international markets as well as to the associated companies.

JORDAN PHOSPHATE MINES PUBLIC SHAREHOLDING COMPANY
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Indo-Jordan (Subsidiary) produces Phosphoric Acid and other chemicals by-products to be sold to the local and international markets as well as to the associated companies.

Nippon (Subsidiary) produces fertilizers and other chemical by-products to be sold to the local and international markets as well as to the associated companies.

The raw material trading unit purchases raw materials and explosives and uses them in mining and fertilizers production as well as selling them in the local and international market and to the associated companies.

Following is a summary of the financial data by business segment:

For the three months ended 31 March 2017 (Unaudited)	Phosphate unit	Fertilizers unit	Indo- Jordan	Nippon	Trading in raw materials	Eliminations	Others	Total
Revenues								
External sales	87,224	26,036	9,062	22,178	1,984	-	-	146,484
Inter-segment sales	14,656	10,432	-	793	-	(25,881)	-	-
Total Sales	101,880	36,468	9,062	22,971	1,984	(25,881)	-	146,484
Cost of sales	(59,793)	(30,713)	(14,303)	(20,345)	(1,834)	-	-	(126,988)
Gross profit (loss)	42,087	5,755	(5,241)	2,626	150	(25,881)	-	19,496
Segment results -								
Loss before tax, finance costs, interest income and exchange differences	(934)	(4,949)	(7,099)	762	150	-	(24)	(12,094)
Finance (costs) income and exchange differences	(2,753)	(10)	(37)	9	-	-	-	(2,791)
Profit (loss) before tax	(3,687)	(4,959)	(7,136)	771	150	-	(24)	(14,885)
Profit (loss) for the period	(4,162)	(4,958)	(7,136)	771	150	-	(97)	(15,432)
Share of loss of associates and joint ventures	(2,161)	-	-	-	-	-	-	(2,161)
Non-controlling interests	154	-	-	-	-	-	-	154
Other segment information-								
Capital expenditures	496	726	-	35	-	-	-	1,257
Depreciation	2,547	2,506	2,083	255	-	-	39	7,440

JORDAN PHOSPHATE MINES PUBLIC SHAREHOLDING COMPANY
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(In Thousands of Jordanian Dinars)

For the three months ended 31 March 2016 (Unaudited)	Phosphate unit	Fertilizers unit	Indo- Jordan	Nippon	Trading in raw materials	Eliminations	Others	Total
Revenues								
External sales	96,292	14,827	2,016	5,897	687	-	-	119,719
Inter-segment sales	12,442	3,837	535	-	-	(16,814)	-	-
Total Sales	108,734	18,664	2,551	5,897	687	(16,814)	-	119,719
Cost of sales	(59,263)	(27,862)	(5,959)	(6,312)	(369)	-	-	(99,765)
Gross profit (loss)	49,471	(9,198)	(3,408)	(415)	318	(16,814)	-	19,954
Segment results -								
Loss before tax, finance costs, interest income and exchange differences	9,571	(15,045)	(4,969)	(1,505)	318	-	(108)	(11,738)
Finance (costs) income and exchange differences	(2,336)	(72)	83	39	-	-	-	(2,286)
Profit (loss) before tax	7,235	(15,117)	(4,886)	(1,466)	318	-	(108)	(14,024)
Profit (loss) for the period	5,037	(15,117)	(4,886)	(1,466)	318	-	(108)	(16,222)
Share of loss of associates and joint ventures	(1,941)	-	-	-	-	-	-	(1,941)
Non-controlling interests	(459)	-	-	-	-	-	-	(459)
Other segment information-								
Capital expenditures	331	402	-	69	-	-	-	802
Depreciation	1,746	1,600	2,133	189	-	-	39	5,707

	Phosphate unit	Fertilizers unit	Indo- Jordan	Nippon	Others	Total
Assets and Liabilities as at 31 March 2017 (Unaudited)-						
Assets	531,284	205,573	82,537	30,523	886	850,803
Investments in associates and joint ventures	263,489	-	-	-	-	263,489
Liabilities	363,946	28,906	8,040	2,819	1,169	404,880

Assets and Liabilities as at 31 December 2016 (Audited)						
Assets	532,011	213,142	87,273	29,303	1,100	862,829
Liabilities	371,399	28,236	7,842	2,638	1,336	411,451
Investments in associates and joint ventures	273,466	-	-	-	-	273,466

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Geographical segments

The following table presents the Group's sales by geographical segments:

	Phosphate unit	Fertilizers unit	Indo- Jordan	Nippon	Raw Materials	Total
As of 31 March 2017						
Asia	64,238	25,798	8,196	10,177	-	108,409
Europe	-	-	-	11,919	-	11,919
Africa	-	192	-	-	-	192
Associates / joint ventures in Jordan	22,986	-	-	-	-	22,986
Others	-	46	866	82	1,984	2,978
	<u>87,224</u>	<u>26,036</u>	<u>9,062</u>	<u>22,178</u>	<u>1,984</u>	<u>146,484</u>
As of 31 March 2016						
Asia	70,932	14,655	2,016	3,341	-	90,944
Europe	5,570	-	-	2,455	-	8,025
Africa	-	88	-	101	-	189
Associates / joint ventures in Jordan	19,790	-	-	-	-	19,790
Others	-	84	-	-	687	771
	<u>96,292</u>	<u>14,827</u>	<u>2,016</u>	<u>5,897</u>	<u>687</u>	<u>119,719</u>

8. Commitments and Contingences

Guarantees and LC's

As at 31 March 2017, the outstanding letters of credit and letters of guarantee amounted to JD 18,240 thousand and JD 2,728 thousand respectively (2016: JD 12,319 thousand and JD 2,683 thousand respectively).

The Group has guaranteed 27,38% (Group's share of investment) of the syndicated loans and credit facilities granted to Jordan Abyad Fertilizers and Chemicals Company and managed by Jordan Ahli Bank, amounting to a total of JD 13,758 thousand as of 31 March 2017. On 6 November 2016, Jordan Ahli Bank debited JD 7,639 thousand to the Company's account, which represents the Company's share of the syndicated loan installment, the credit facilities granted and the accrued interest on Jordan Abyad Fertilizers and Chemicals Company. The company does not have any accounts at Al-Ahli Bank as of 31 March 2017.

Operating Leases

During 2008, the Group renewed the rent agreement with Aqaba Development Company by entering into an operating lease agreement for an area of 3,043 thousand square meters for a period of forty nine years with an annual lease of JD 570,194, starting of 2016 the leased area was decreased to become 3,022 square meters with the same terms with an annual lease of JD 567 thousands.

Litigation

The Group is a defendant in a number of lawsuits in the ordinary course of business amounted to JD 2,161 thousand. The management believes that these lawsuits will not result in material obligation on the Group.

During 1999, the Group withdrew the cash received under letters of guarantee that were issued by the German KHD Company in favor of the Group due to KHD's noncompliance with the terms and conditions of the contract agreement. KHD is the prime contractor of the Company's beneficiation and flotation plant project in the Shidiya.

During January 2000, KHD initiated a lawsuit in a Jordanian court against the Group's withdrawal of the amount of the letters of guarantee and during February 2000, the Group filed a counter suit. Further, during March 2000, KHD started an arbitration procedure to be heard by the International Chamber of Commerce. The Jordanian Supreme Court had decided that KHD had waived its right to arbitration in the International Chamber of Commerce and, accordingly, Jordanian Courts are the relevant legal jurisdiction to hear the lawsuit. The case is still pending.

During October 2004, KHD filed a lawsuit against the Group, claiming amounts under the contract signed between the two parties in respect of the beneficiation and flotation plant project at Shidiya mine.

The total amount of claims relating to lawsuits relating to KHD is JD 12,560 thousand. The Group filed a counter-claim that reached JD 27,659 thousand representing the cost incurred by the Group in fixing the errors made by KHD during the construction of the project.

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9. Related Party Transactions

Related parties represent balances with associated companies and joint ventures, major shareholders, directors and key management of the Group and the companies controlled or significantly influenced by those parties.

Investment in associates and joint ventures and the related ownership percentages are as follows:

	ownership %
Manajim for Mining Development Company	46
Arkan for Contracting Construction and Mining Company	46
Jordan Abyad for Fertilizers and Chemicals Company (JAFCCO)	27,38
Jordan India Fertilizer Company (JIFCO)	48
Industrial Ports Company	50
Indonesian Project–Petro Jordan Abadi Company	50
Indonesian Project–Kaltim Jordan Abadi Company	40

The Group entered into transactions with the associates, joint ventures and the Hashemite Kingdom of Jordan government in its normal course of business, pricing policies and terms of these transactions are approved by the Group's management.

Following is a summary of related party transactions during the period:

	Related party			Total	
	Associates and joint ventures	Government of Jordan	Others*	31 March	31 December
				2017	2016
				Unaudited	Audited
Consolidated Statement of financial position items:					
Accounts receivable	92,043	-	14,363	106,406	99,324
Accounts payable	50,068	668	110	50,846	50,025
Loans receivable	6,781	-	-	6,781	6,781
Accrued expenses	-	16,239	-	16,239	20,199
Off balance sheet items:					
Guaranteed loans	16,358	-	-	16,358	16,358

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Consolidated statement of income items:	Related party			Total	
	Associates and joint ventures	Government		31 March 2017	31 March 2016
		of Jordan	Others*		
Unaudited					
Sales	22,986	-	25,561	48,547	57,960
Purchases	43,528	-	1,793	45,321	35,238
Mining fees	-	5,094	-	5,094	5,437
Port fees	-	1,265	-	1,265	726
Other income	12,836	-	122	12,958	4,418
Land lease	-	1,656	-	1,656	1,195

* Others include balances and transactions with Jordan Phosphate Mines Company partners in associates and joint ventures.

Compensation of the key management personnel (salaries, wages and other benefits) is as follows:

	For the three months ended 31 March	
	2017	2016
	Unaudited	
Salaries and benefits	265	266

The nature of the main transactions with related parties were as follows:

- The Group is liable to pay mining fees to the Government of Jordan at rates determined by the Government from time to time.
- The Group has an operating land lease with the Government of Jordan / Aqaba Special Economic Zone Authority.
- The Company has an operating lease with the Government of Jordan / Aqaba Special Economic Zone Authority for the land on which the New Phosphate Port is built.

10. Loans

The loan agreement with the International Finance Corporation stipulates that the Group do not enter into any agreement or arrangement to lease any property or equipment of any kind, except the Land Lease and only to the extent the aggregate lease payments do not exceed the equivalent of USD 10,000 thousands (equivalent to JD 7,080 thousands) in any Financial Year. Furthermore, the agreement stipulates that the Group does not enter into any Derivative Transaction or assume the obligations of any party to any Derivative Transaction. The agreement also stipulates that the JPMC should maintain a debt service ratio of not less than 1.5 times, a current ratio of not less than 1.5 times and liabilities to net equity ratio not more than 2 times.

The Group did not comply with the covenants of the International Finance Corporation loan agreement, when current assets to current liabilities ratio has reached 1.2 as of 31 March 2017, noting that the Group has received a waiver letter from loan the IFC on March 17 2016, where the current assets to current liabilities ratio was adjusted to be 1.2 instead of 1.5 for 18 months period starting from January 1, 2016 till June 30, 2017. Also, the Group didn't comply with the debt service coverage ratio which is 1.5 times. As a result of noncompliance with the debt service coverage ratio, the group has reclassified an amount of JD 11. 6 thousands from long-term loan to short-term loan.

The loan agreement with Arab Bank stipulates that the Group do not obtain another loan of more than USD 50 Million from other banks without the acceptance of Arab Bank. The agreement also stipulates that JPMC should maintain debt service ratio not less than 1.25 times, a current ratio of not less than 1.2 times and liabilities to net equity ratio not more than 1.5 times, and the Group should not mortgage its share in Industrial Ports Company for any party without taking permission of the Bank, and not to distribute any dividends if there was installments due and the dividends should not exceed 75% of the Company's capital. The Group did not comply with debt service coverage ratio 1.25 times and current assets to current liabilities ratio 1.2 times. The Group has received a waiver letter for incompliance with debt service coverage ratio Arab Bank in 16 March 2017 for a year starting 1 January 2017. Also the group has received a waiver letter for incompliance with current ration in 30 April 2017 for one year.