



Tuhama Investment Co .  

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Limited Public Shareholding Co.  

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Amman- The Hashemite Kingdom of Jordan  

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Interim Condensed Consolidated Financial Statements  

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&Independent Auditor's Report As at June 30, 2017  

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Tuhama Investment Co .  

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Limited Public Shareholding Co.  

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Amman- The Hashemite Kingdom of Jordan  

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Report on review of the condensed interim consolidated financial statements

To the board of directors  
Tuhama Investment Co.  
Limited Public Shareholding Co.  
Amman – Jordan

**Introduction**

We have reviewed the accompanying condensed interim consolidated financial statements of Tuhama Investment Co. PLC, comprising the interim consolidated statement of financial position as at 30 June 2017 and the related interim statements of cash flows for the six months period then ended and the notes about condensed interim financial statements. Management is responsible for the preparation and presentation of this condensed interim consolidated financial statement in accordance with international accounting standard number ( 34 ) " interim consolidated financial reporting " our responsibility is to express a conclusion on this condensed interim consolidated financial statements based on our review .

**Scope of review**

We conducted our review in accordance with the international standard on review engagements (2410) " review of interim consolidated financial information performed by the independent auditor of the entity ." a review of condensed interim consolidated financial statement consists of making inquiries , primarily of persons responsible for financial and accounting matters , and applying analytical 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 condensed interim consolidated financial statement as at 30 June 2017 are not prepared , in all material respects , in accordance with international accounting standard number ( 34 ) " interim consolidated financial reporting " .

The Scientific Office for Auditing,  
Accounting and Consulting  
Zinat Adel Al-Saifi  
License No. "431"

*Zinat Adel Al-Saifi*

11 July 2017  
Amman - Jordan




Tuhama Investment Co.  
Limited Public Shareholding Co.  
Amman- The Hashemite Kingdom of Jordan  
Interim condensed consolidated statement for financial position as at 30 June 2017

<u>Description</u>	<u>2017/06/30</u> <u>JD</u>	<u>2016/12/31</u> <u>JD</u>
<u>Assets</u>		
<u>Non-current assets</u>		
Real assets investment for sale	3,618,226	3,618,226
Net Value of Properties and Equipment	1,289	1,289
Financial assets at fair value through other comprehensive income	23,538	23,538
<b>Total Non-current assets</b>	<b>3,643,053</b>	<b>3,643,053</b>
<u>Current Assets</u>		
Other current assets	4,993	4,993
Related parties account's	71,252	71,252
Financial assets at fair value through income statement	524,538	604,784
Cash on hand and at banks	283	283
<b>Total current assets</b>	<b>601,066</b>	<b>681,312</b>
<b>Total assets</b>	<b>4,244,119</b>	<b>4,324,365</b>
<u>Liabilities and Shareholders' Equity</u>		
<u>Shareholders' Equity</u>		
Authorized paid capital	3,240,000	3,240,000
Change in fair value reserve	(116,875)	(116,875)
Compulsory reserve	71,686	71,686
Retained Earnings	125,754	152,053
Non Controlling Shares	(342)	(342)
<b>Net Shareholders' Equity</b>	<b>3,320,223</b>	<b>3,346,522</b>
<u>Current liabilities</u>		
Other current liabilities	30,464	30,464
Related parties account's	802,369	802,369
Creditors account's	91,063	145,010
<b>Total current liabilities</b>	<b>923,896</b>	<b>977,843</b>
<b>Total liabilities and Shareholders' Equity</b>	<b>4,244,119</b>	<b>4,324,365</b>

The accompanying notes constitute an integral part of this statement

Tuhama Investment Co.  
Limited Public Shareholding Co.  
Amman- The Hashemite Kingdom of Jordan  
Interim condensed consolidated income statement as at 30 June 2017

<u>Description</u>	<u>2017/06/30</u> <u>JD</u>	<u>2016/06/30</u> <u>JD</u>
Realized Losses Financial assets at fair value through comprehensive income	(42,410)	(82,501)
Unrealized gain ( Losses ) Financial assets at fair value through comprehensive income	16,111	(692)
Depreciation of property and equipment	-	(302)
losses of the period distributed as follows :	(26,299)	(83,495)
Shareholders of the holding company	(26,299)	(83,495)
Non Controlling Shares	-	-
Total comprehensive income for the period	(26,299)	(83,495)
	<u>Dinar / Fils</u>	<u>Dinar / Fils</u>
Share of the result period (Basic and diluted)	(0.008)	(0.026)
Weighted average of number of shares	3,240,000	3,240,000

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The accompanying notes constitute an integral part of this statement  
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Tuhama Investment Co.  
Limited Public Shareholding Co.  
Amman- The Hashemite Kingdom of Jordan

Interim condensed consolidated comprehensive income statement as at 30 June 2017

<u>Description</u>	<u>2017/06/30</u>	<u>2016/06/30</u>
	<u>JD</u>	<u>JD</u>
Losses for the period	(26,299)	(83,495)
<u>Other comprehensive income items</u>		
Evaluation Financial assets at fair value through income statement	-	-
Total comprehensive income for the period	<u>(26,299)</u>	<u>(83,495)</u>
Shareholders of the holding company	(26,299)	(83,495)
Non Controlling Shares	-	-
Total comprehensive income for the period	<u>(26,299)</u>	<u>(83,495)</u>

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The accompanying notes constitute an integral part of this statement  
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Tuhama Investment Co.  
Limited Public Shareholding Co.  
Amman – the Hashemite Kingdom of Jordan

Interim condensed consolidated changes in shareholders' equity statement

	<u>Capital</u>	<u>Change in fair value reserve</u>	<u>Compulsory reserve</u>	<u>Uncontrolled share</u>	<u>Retained Earnings</u>			<u>Total</u>	<u>Net</u>
	<u>ID</u>	<u>ID</u>	<u>ID</u>	<u>ID</u>	<u>Realized Profit (loss)</u>	<u>Unrealized Profit (loss)</u>	<u>ID</u>	<u>ID</u>	<u>ID</u>
Balance at 31/12/2015	3,240,000	(24,626)	71,686	(342)	261,595	11,692	273,287	3,560,005	
Loss of the year	-	-	-	-	(64,463)	(56,771)	(121,234)	(121,234)	
Fair value reserve	-	(92,249)	-	-	-	-	-	(92,249)	
Balance at 31/12/2016	3,240,000	(116,875)	71,686	(342)	197,132	(45,079)	152,053	3,346,522	
Loss of the period	-	-	-	-	(42,410)	16,111	(26,299)	(26,299)	
Fair value reserve	-	-	-	-	-	-	-	-	
Balance at 30/06/2017	3,240,000	(116,875)	71,686	(342)	154,722	(28,968)	125,754	3,320,223	

  
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The accompanying notes constitute an integral part of this statement



Tuhama Investment Co.  
Limited Public Shareholding Co.  
Amman- The Hashemite Kingdom of Jordan  
Interim condensed consolidated cash flows statement as at 30 June 2017

<u>Description</u>	<u>30/06/2017</u> <u>JD</u>	<u>30/06/2016</u> <u>JD</u>
<b><u>Cash flows from operational activities</u></b>		
Losses of the period	(26,299)	(83,495)
<b><u>Adjustments to loss period</u></b>		
Depreciation of property and equipment	-	302
Unrealized Losses Financial assets at fair value through income statement	(16,111)	692
<b>Operational losses</b>	<b>(42,410)</b>	<b>(82,501)</b>
<b><u>Changes in the working capital items</u></b>		
Financial assets at the fair value through comprehensive income statement	96,357	82,564
Other currents assets	-	3,392
Accounts payable	(53,947)	835
<b>Net cash from operational activities</b>	<b>-</b>	<b>4,290</b>
<b>Cash flow from operations</b>	<b>-</b>	<b>4,290</b>
cash and cash equivalent on 1 january 2017	283	7,324
<b>Cash and cash equivalent at 30 June 2017</b>	<b>283</b>	<b>11,614</b>

*mgj* **Salim H. G. Al-Sayid**  
for Audit, Accounting  
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Tuhama Investment CO.  
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Amman – the Hashemite Kingdom of Jordan  
Accounting Policies

Basis of preparation

- The consolidated financial statements has been prepared in accordance with the principle of the historical cost, except for the financial assets at fair value through the other comprehensive income, and the financial assets in the fair value through the income statement, which appear in the fair value in the date of the consolidated financial statements.
- The consolidated financial statements are prepared in accordance to the International Financial Reporting Standards.
- The financial statements are presented in Jordanian Dinar, which is the functional currency of the Company.
- The accounting polices in the current year are similar with the accounting polices of the previous year .

Basic of Consolidations of Financial Statements

The consolidated financial statements comprise the financial statements of the parent company and its subsidiaries where the company holds control over the subsidiaries. The control exists when the company has the ability to control subsidiaries operational and financial policies Transactions, balances, revenues and expenses between the parent and subsidiaries are eliminated The financial statement of the subsidiaries are prepared for the same reporting as the parent company using the same accounting policies used by the parent company. if different accounting policies were applied by the subsidiaries, adjustments shall be made on their financial statements in order to comply with these of the parent company

The results of subsidiaries are unified in the consolidated statement of income as if they are acquired, which is the date in which the parent company's control over the subsidiaries is effectively transferred. The results of subsidiaries business are unified in the consolidated income statement up to the date on which the company loses control over the subsidiaries.

Use of Estimates

The preparation of the financial statements requires the company management to make estimates and assumptions that affect the reported amount of the assets and liabilities and disclose the potential obligations. These estimates are further affecting the revenues, expenses and allocations, and especially requires the company management to make estimates and assumptions to evaluate the amounts and time of future cash flow and surrounding conditions in the future, the mentioned estimates are based on different assumptions and factors, having different degrees of estimation and uncertainty and the actual results may differ from the estimates due to future changes in the conditions of such allocations.



**Tuhama Investment CO.**  
**Limited Public Shareholding Co.**  
**Amman – the Hashemite Kingdom of Jordan**  
**Accounting Policies**

The following are the estimates that were used in the preparation of financial statements:

- The management reassesses the life expectancy of tangible and intangible assets periodically for the purpose of calculating annual depreciation and amortization, according to the overall situation of the assets and estimates of the estimated life expectancy in the future, and taking the impairment loss (if any) in the income statement.
- The Management makes regular reviews of the financial assets, which appear at cost to estimate any impairment in its value and taking this impairment in the statement of income for the year.
- The management estimates the value of the allocation of bad debts after taking into account the availability of collecting such debts.
- The company management estimates the value of the allocation of slow moving goods in accordance to the shelf life of the goods in inventory.

**Financial assets at fair value through income statement**

- Other financial assets that do not meet the conditions of financial assets at amortized cost are measured as assets at fair value.
- Assets stated at fair value through income statement are Investments in equity and debt instruments for trading purposes and the purpose of the retention is to generate profits from fluctuations in short-term market prices or to generate profits from margin of trading profits.
- Financial assets are recorded at fair value in the statement of income upon procurement (acquisition costs are recorded in the statement of income upon purchase) and are re-evaluated in the financial statements at their fair value, Subsequent changes at fair value are recorded in the statement of income in the same period in which the change at fair value arises from the differences of non cash assets exchange in foreign currencies.
- Dividends or revenues are recorded in the statement of income when realized (approved by the General Assembly of Shareholders).

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

- It is permitted to adopt an irrevocable option on initial recognition of investments in owner's equity instruments that are not held for trading to present all changes in the fair value of these investments on an individual basis (each share separately) under the other comprehensive income, and It cannot be by any means and at any time later on reclassify the amounts of these recognized differences in the other income as profit or loss, while the tax on dividends from these investments are recognized within net investment income, unless such investments represent a partial recovery of all investments.
- In the event of the sale of these assets or any part thereof, profits or losses resulting from the sale are transferred from the balance of accumulated net change at fair value through the other comprehensive income to profit and loose re- cycling and not through the income list.

Tuhama Investment CO.  
Limited Public Shareholding Co.  
Amman – the Hashemite Kingdom of Jordan  
Accounting Policies

Cash on hand and at banks

This is represented in the cash in hand and at banks under the current accounts where the company does not ensure the risks of change in the value.

Revenue Recognition

The revenue in sales is to be recognized upon the provision of service and the issuance of a customer invoice. The revenue of interest is recognized on a time basis and reflects the actual revenue on assets.

Fair value

Closing prices in active markets represent the fair value of financial assets. In the absence of quoted prices or lack of active trading on certain financial assets, their fair value is estimated by comparing them to the fair value of a similar financial instrument or by calculating the present value of future cash flows. If the fair value of the financial asset cannot be measured reliably, it is presented at cost after deducting any impairment in value.

Real Estate Investments

Real estate investments are presented at cost less accumulated depreciation and amortized over the expected estimated useful life of 6% -10%. The operating income or expenses of these investments and any impairment in value are recorded in the income statement. The virtual life of real estate's investments properties is reviewed periodically to ensure that the method and proportion of depreciation are consistent with the expected future benefit.

Properties & Equipment

The Properties, equipment and machinery appear at cost after decreasing the accumulated depreciation and the depreciated assets (excluding land) when they are ready for use via direct installments over the expected life span as per the following proportions:

Buildings & constructions	4 %
Vehicles	15 %
Furniture & Office equipment	2-20 %
Equipment & machines	15-25 %



Tuhama Investment CO.  
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Amman – the Hashemite Kingdom of Jordan  
Accounting Policies

Impairment in the financial assets

The company reviews the value of the financial assets stated in the company's records at the date of the financial statements to determine if there are indications to impairment in their value. In case of such indications, the recoverable fair value of the assets is estimated to define the impairment loss. In case the recoverable value is less than the net book value stated in the company's records, the impairment value is reflected in the comprehensive income statement.

Non-Controlling Shares

Are the rights belonging to the subsidiary company, and do not fall within the scope of the mother company either directly or indirectly, and is outlined separately under the financial statement report not belonging to that of the mother company. The overall income should be accredited to the owners of the mother company and those of the uncontrollable shares even if they demonstrate a negative credit.

Foreign Currencies

The transactions made in foreign currency during the year are recognized in the applicable exchange rates in the date made of such transactions. The balance of the assets and liabilities in foreign currency are converted using the exchange rates in the date of the financial statements and being declared by the Central bank of Jordan. The profits and losses resulting from the exchange process are recognized in the statement of income.

Provisions

The Provisions are recognized when the company is under a (legal or expected) obligation resulting from a previous event and the payment of the obligations is probable. Its value may be measured reliably.

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Limited Public Shareholding Co.  
Amman – the Hashemite Kingdom of Jordan  
Notes to the interim condensed Consolidated financial statements

**1- General Information**

The company is registered in the register of public shareholding companies (429) with the Controller of Companies at the Ministry of Industry and Trade on February 11, 2007. The company's authorized and paid-up capital is "3,240,000" JD (3,240,000) shares with a par value of JD 1 each.

The main activity of the company is to contribute to other companies and to invest the company's money in shares, bonds and securities, and to own the movable and immovable property to carry out the work.

The company's main business center is Amman.

The interim consolidated financial statements for the period ended 30 June 2017 comprise the financial statements of the Company and the financial statements of the following subsidiaries:

<u>Subsidiary Company Name</u>	<u>Registration Place</u>	<u>Registration year</u>	<u>Ownership %</u>	<u>Activity</u>
Masaken for investment Limited liability	Hashemite Kingdom of Jordan	2007	%100	Investment in land and real estate whether by owning, selling, buying, renting or leasing.
Bawabet Al Istiqlal Real Estate Development Co Limited liability	Hashemite Kingdom of Jordan	2010	%100	Purchase and sale of land after development, organization, improvement, sorting and delivery of all services.
Bawabet Al Amal Lands Development Co Limited liability	Hashemite Kingdom of Jordan	2010	%100	Purchase and sale of land after development, organization, improvement, sorting and delivery of all necessary services.
Al Lujain Lands Development Co Limited liability	Hashemite Kingdom of Jordan	2009	%100	Purchase and sale of land, after the development of land, organization and improvement and entry into investment contracts and fuel participation.
AlMai General Trading Co Limited liability	Hashemite Kingdom of Jordan	2013	%100	General trade, import and export, bid entry, buying and owning shares, bonds and securities, building housing projects and owning companies and projects.

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Tuhama Investment CO.  
Limited Public Shareholding Co.  
Amman – the Hashemite Kingdom of Jordan  
Notes to the interim condensed Consolidated financial statements

2- Financial Instruments:

a- Fair value

The company practices its activities using a number of financial instruments. The book value of these instruments is similar to its fair value as per the Accounting Standard no (32).

b- Risks of Fluctuations in Price:

1- Currency Risks:

The majority of company transactions are in JD or US Dollars. The USD to JOD exchange rate is fixed at 0.71 JOD.

2- Interest Rate Risk:

Most of the financial instruments appearing in the balance sheet are not subject to any interest rate risk, with the exception of banking facilities, loans and current accounts.

C- Risk of Credit and Liquidity:

The company deals with banking institutions of good liquidity and those that have a good standing reputation. It also keeps cash balances represented in the accounts receivables at fair value.

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