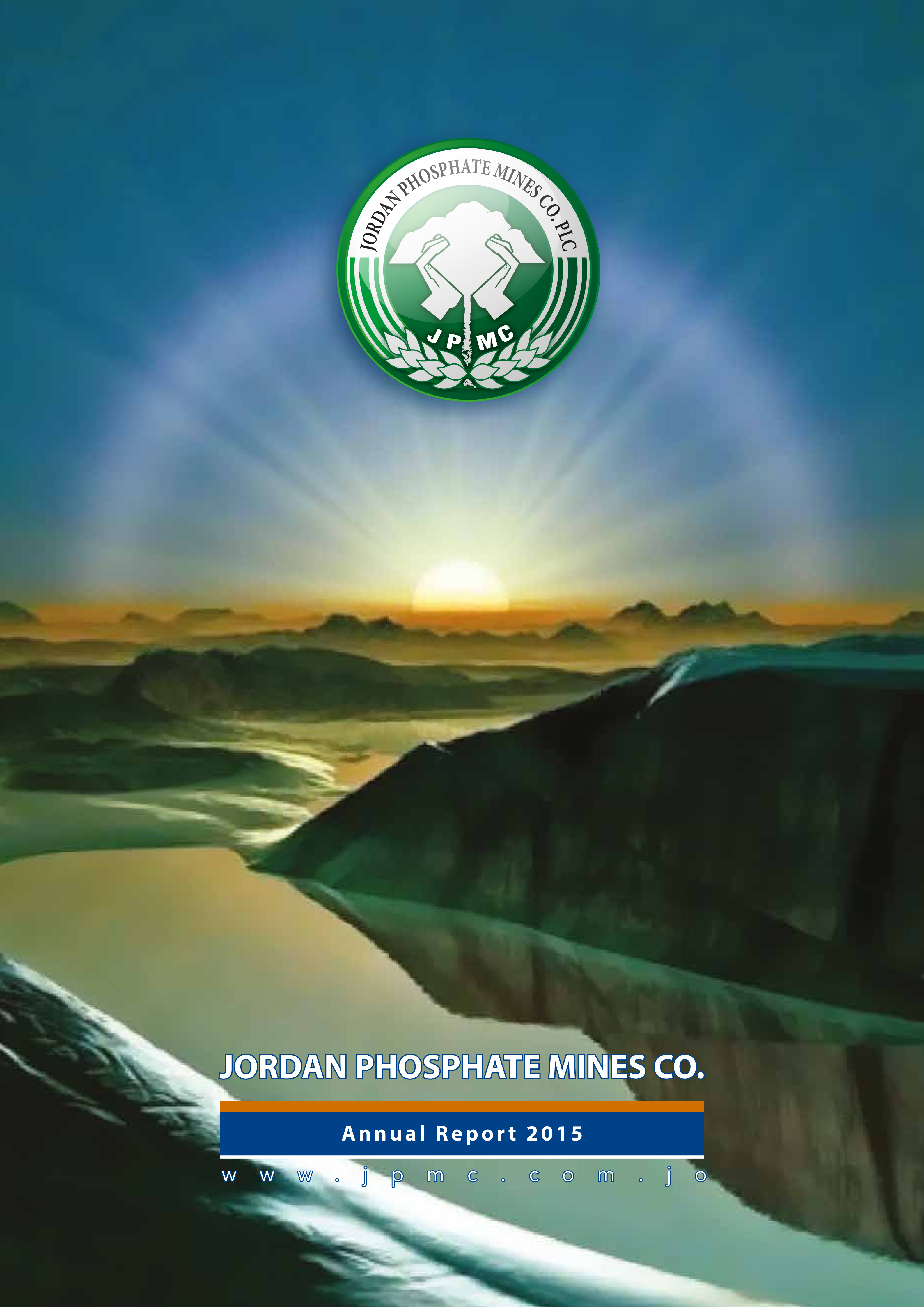
JORDAN PHOSPHATE MINES CO. PLC.

Annual Report 2015



JORDAN PHOSPHATE MINES CO.

Annual Report 2015

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His Majesty King Abdullah II Ibn Al-Hussein

His Royal Highness Crown Prince Al Hussein bin Abdullah II

JORDAN PHOSPHATE MINES CO. PLC.

Head Office: 5 Al-Sharif Al-Radhi St. - Shmeisani - Amman
P.O.Box (30) Amman 11118
Hashemite Kingdom of Jordan

Report of the Board of Directors of the Sixty - Two and The Consolidated Financial Statements for the Year 2015

Our Vision:
Continuous and ambitious action to maintain the Company's name and reputation at the national and international levels and deliver the best services to its customers and shareholders.

Our Mission:
Become an effective marketer and efficient low-cost of Phosphate products while preserving the environment and workers' safety, for to benefit shareholders, employees and the local community and national economy.

Contents

Board of Directors

Eng. Amer Al-Majali	Chairman of the Board as of March 12th, 2015 Representative of Social Security Corporation	

Representatives of Kamil Holdings Limited:

H.E. Eng. Muzahim Muhaisin	Member	as of March 19th, 2015
Mr. Junaidi Masri	Member	
Eng. Faisal Doudin	Member	as of April 20th, 2015
Eng. Talal Al-Saadi	Member	until March 25th, 2015
Eng. Amer Al-Majali	Chairman of the Board	until March 10th, 2015

Representatives of the Jordan Ministry of Finance until January 10th 2016

And Representatives of Governmental Shareholdings' Management Company(L.L.) from March 19th, 2016

H.E. Abdel karim Malahmeh	Deputy Chairman	
H.E. Dr. Eng. Munther Haddadin	Member	

Representative of Social Security Corporation:

Eng. Amer Al-Majali	Member	as of March 11th, 2015
Mr. Saeed Shanan	Member	until March 11th, 2015

Representative of the State of Kuwait:

Mr. Mohammad Al-Munaifi	Member	as of June 23rd, 2015
Mr. Hamad Al-Omer	Member	until June 23rd, 2015

Representatives of the Private Sector:

H.E. Mr. Haethum Buttikhi	Member	
H.E. Mr. Khaled Quran	Member	

Chief Executive Officer:

Dr. Shafik Ashkar

Auditors:

Messrs. ERNST & YOUNG

Letter to the **Shareholders**

Distinguished Shareholders,

Members of the Board of Directors of the Jordan Phosphate Mines Company PLC and I have the pleasure to welcome you to the ordinary annual general assembly meeting. We submit to you the sixty second annual report including a brief on the Company operations, activities and milestones during the fiscal year ending on 31/12/2015 and its future plan of action.

In fulfillment of the plan of 2015, the Company opened the Jordanian Indian Plant (JIFCO) to be the largest plant for phosphoric acid in the region and worldwide. It consumes 1.8 million tonnes of low grade crude phosphate. JIFCO is the fruit of a strategic partnership between Jordan Phosphate Mines Company and the Indian Farmers' Federation in India.

Several challenges emerged in 2015 including the continually dropping international prices of crude phosphate and phosphate fertilizers. However, the Company was able to achieve positive results during the year as the total sold quantities of phosphate reached 8,2 million tonnes of which 4,8 million tonnes were exported compared with the sales of 2014 which reached 7,3 million tonnes with 4.6 million tonnse of exportation. In fact, the total sales of phosphate for 2015 are higher than the quantities sold since 2011. The Company was able to sell 318 thousand tonnes of fertilizers of which 646 thousand tonnes in 2014. The Company is, currently, considering the potentials to conclude new strategic partnerships to establish integrated industries, to secure a sustainable consumption market for crude phosphate, to increase the value added, and to create job opportunities. This will enhance company presence on its traditional markets whilst targeting new markets especially in southeast Asia, east and south Africa.

These results were achieved by virtue of the directives of the BOD and reflect the onerous efforts made by the management and the staff as well as the associate and subsidiary companies to retain customers and traditional markets whilst seeking penetration to new markets. In the meantime, some markets that the Company used to have visibility on during the past have been restored in order to implement the Company's strategy to update and develop production and marketing plans.

In the financial management area, efforts persisted to enhance the financial position of the Company and finance the operations from its own sources and via loans from local banks as needed. Thus, the Company covers some of its obligations whilst maintaining the relative financial transactions within safe limits.

Compared to 2014, the Company achieved in 2015 higher levels of activity with a net profit of JD 34,6 million against JD 20,9 million in 2014. Net sales reached JD 750,2 million compared to JD 738,4 million. Assets reached JD 1174,183 million and equity shareholders reached of JD 818,2 million; i.e. an increase of 4.4% compared to 2014.

Distinguished Shareholders,

Kindly note that the Company could settle all pending liabilities with regard to the employees' incentives in 2015; which helped mitigate the persistent burdens due to 863 workers quitting work upon their own free will. In this respect, I ensure you that the Company engaged in improving medical care for the existing and retired employees.

In term of management and organizing the Company embarked on updating the organizational structure of the Company, it drafted the Human Resource Bylaw, and created an autonomous fund for the end of service compensation in order to control the series of incentive agreements which used to be in practice till the end of 2014. The Company views its contribution to the social growth as critical as that of its economic activities

Eventually, members of the Board of Directors and I would like to sincerely thank you; we all appreciate your continuous support. I also thank members of the Board of Directors and employees of the Company in appreciation for their persistent efforts and devotion to serve the Company. May the Almighty Allah help the Company achieve further milestones and remain in business up to the level of your expectations. May Allah help us all to further serve this country and exert all the efforts to help the Company persist in its contribution to the economic growth and social development under His Majesty King Abdullah II bin Al-Hussein. May Allah keep him.

May Peace and Allah's Mercy and Blessings be Upon All of You!

Eng. Amer Al-Majali

Chairman the Board

Board of Directors' Report

Distinguished Shareholders,

In accordance with the provisions of Article (171) of the Companies' Law No. (22) for the year 1997 and its amendments, and in application of Disclosure Instructions and Accounting and Auditing Standards for the year 2004, and in compliance with the provisions of Article (62) of the Articles of Association of the Company, the Board of Directors of the Jordan Phosphate Mines Company Plc. hereby presents its Sixty-Two annual report, summarising of the Company's operations and achievements during the fiscal year ending on December 31, 2015, and its future plan. The report also presents the results of the Company operations, and its financial position as presented by the financial statements lists, which includes the consolidated Statement of Financial Position, the consolidated Statement of Income and Statement of Comprehensive Income, the consolidated Statement of Changes In Equity and Cash Flow Statement.

Following is the Company's main activities during the year 2015:

Production:

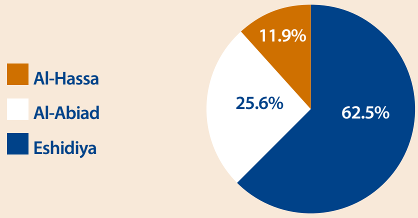
A. Phosphate:

Production of phosphate in 2015 reached (8,335,993) tonnes, with an increased of (16,7%) compared to the year 2014.

1- The dry phosphate quantities which were produced in 2015 distributed as follows:

Mine	Production
Al-Hassa	992,589
Al-Abiad	2,135,185
Eshidiya	5,208,219
Total	8,335,993

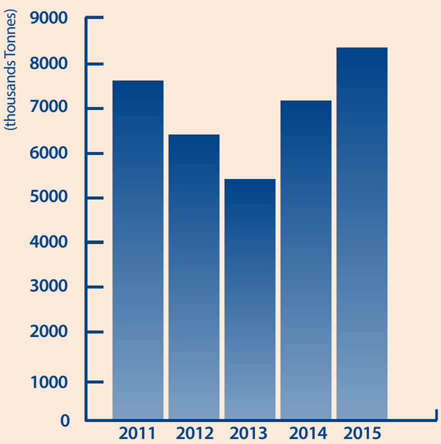
(Tonnes)



2- Dry Phosphate Production Quantities of per Company Mine for the period 2011 – 2015:

Mine	2015	2014	2013	2012	2011
Al-Hassa	992	904	724	771	882
Al-Abiad	2,135	1,182	1,057	1,159	1,864
Eshidiya	5,208	5,058	3,618	4,453	4,848
Russeifa	-	-	-	-	-
Total	8,335	7,144	5,399	6,383	7,594

(thousands Tonnes)



B. Industrial Fertilizer Complex:

1-Production of the Chemical Fertilizers at Industrial Complex in Aqaba in 2015 as follows:

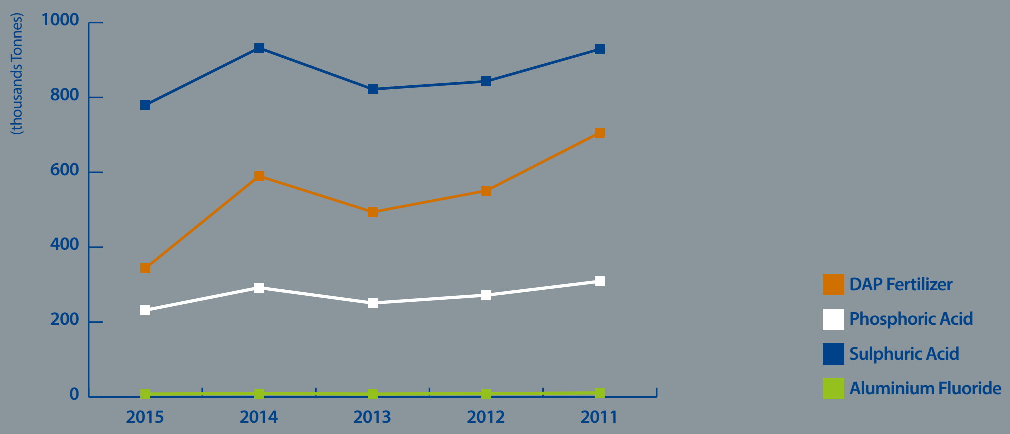
Product	Production
DAP Fertilizer	344,000
Phosphoric Acid	238,000
Sulphuric Acid	779,616
Aluminium Fluoride	8,123

(Tonnes)

2- Production of the Industrial fertilizer Complex during 2011 - 2015:

Product	2015	2014	2013	2012	2011
DAP Fertilizer	344	590	494	551	706
Phosphoric Acid	238	292	251	272	309
Sulphuric Acid	780	932	822	843	929
Aluminium Fluoride	8	9	8	9	11

(thousands Tonnes)



Exploration:

The strategy of Exploration in 2015 focused on exploration work in Searching and investigation in the three mines. in addition the operations of exploration as well as quality control for some ores. As currently being investigated operations in the areas adjacent for ancient ores in Al-Hassa mine. and planning for exploration in promising areas at (Al- Abiad, Eshidiya and Al- Hassa) mines. In 2016 the Company will continue in intensifying the drilling operations and explorations, and it is seeking to rehabilitation the drilling equipments with the latest technologies.Total ore reserves (proven, probable and possible) until the end of 2015 for all mines distributed as follow:

Mine	Proven	Probable	Possible	Mined Reserve	Total
Al-Abiad	11,790	-	-	-	11,790
Al-Hassa	24,580	-	-	-	24,580
Eshidiya	611,496	120,000	350,000	47,000	1,128,496
Total	**647,866**	**120,000**	**350,000**	**47,000**	**1,164,866**

(thousands Tonnes)

Transport:

Quantities of Rock Phosphate transported from the Company's mines by trucks and railroad in 2015 reached to (8,153,873) tonnes distributed as follows:

Mine	Export	JFIC	IJCC	JIFCO	JAFCCO	Total	Participation (%)
Eshidiya	2,107,979	723,239	825,667	1,479,997	-	**5,136,882**	63
Al-Hassa	843,607	143,356	-	-	-	**986,963**	12
Al-Abiad	1,856,943	142,465	-	-	30,620	**2,030,028**	25
Total	**4,808,529**	**1,009,060**	**825,667**	**1,479,997**	**30,620**	**8,153,873**	**100**

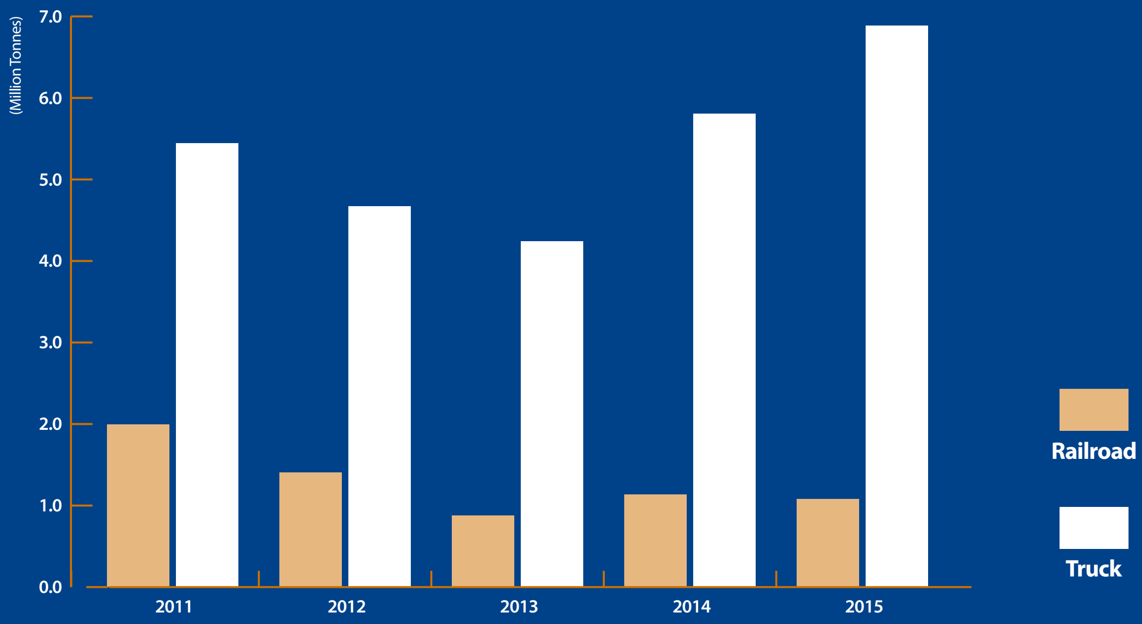
(Tonnes)

A total of (1,248,302) tonnes were transported by railroad and a total of (6,905,571) tonnes were transported by trucks.

Phosphate Quantities Transported from Mines during 2011-2015:

Method	2015	2014	2013	2012	2011
Railroad	1,248	1,287	961	1,524	2,045
Truck	6,906	5,828	4,328	4,742	5,484
Total	8,154	7,115	5,289	6,266	7,529

(thousands Tonnes)



Marketing:

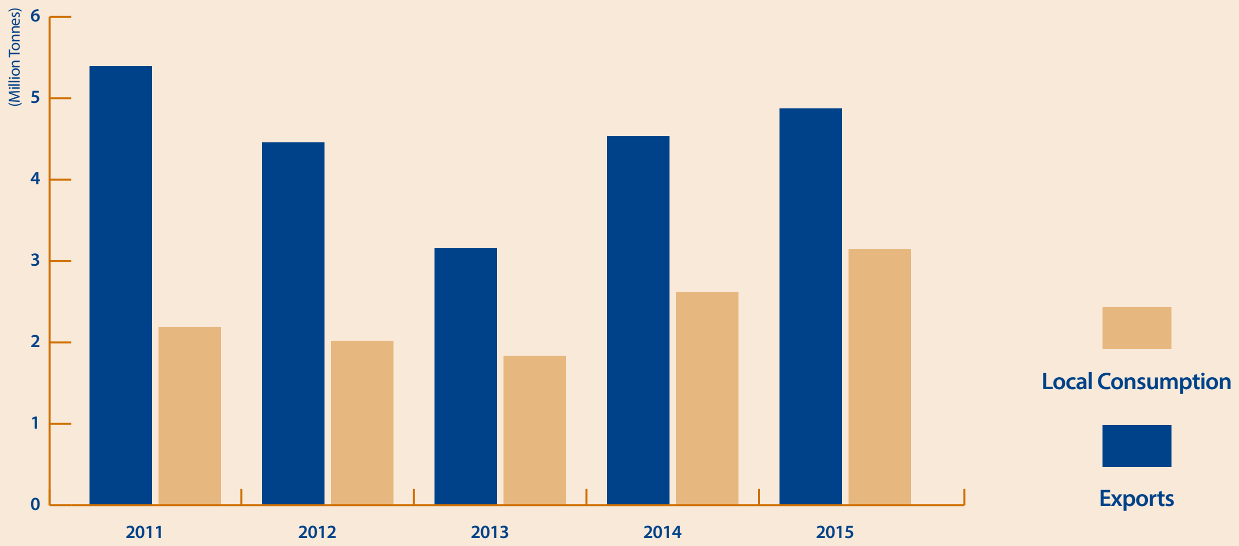
In 2015, the Company was able to export 4.8million tonnes of phosphate to more than (11) countries; achieving 98% of the marketing plan for 2015 with an increase of 223 thousand tonnes compared to 2014. The average prices increased compared to 2014; the Indian market is consider the major imported for the company's products of phosphate as its purchases which for 65% of the 2015 production. In the second half of 2015 , the company exported phosphate quantities to several countries and companies that were not within its plans such as(Lebanon, Korea and Australia).

The company was able to sell 318 thousand tonnes of DAP in spite of the international demand decreased and the prices dropped worldwide; new competitors emerged on the international market as well. Accordingly, the company modified its production and marketing plans to be focused on selling phosphoric acid and in the meantime fulfilling the needs of local and associate companies phosphate and other raw material.

1 . Phosphate Sales during the period 2011 – 2015:

(thousands Tonnes)

Year	2015	2014	2013	2012	2011
Exports	4,839	4,616	3,245	4,336	5,403
Local Consumption	3,345	2,685	1,852	1,852	2,038
Total	8,184	7,301	5,097	6,188	7,441



2 . Sales of the Industrial Fertilizer Complex, 2011-2015:

(thousands Tonnes)

Product	2015	2014	2013	2012	2011
DAP Fertilizer	318	646	483	532	663
Phosphoric Acid	68	22	24	18	41
Sulphuric Acid	30	55	48	20	13
Aluminium Fluoride	8	6	8	13	14

Joint Ventures:

A- Jordanian-Indian Fertilizer Company (JIFCO):

The Jordan Indian Fertilizers Company (JIFCO) was established in Jordan in 2008 to produce phosphoric acid in the Eshidiya area in partnership with the Indian Farmers Fertilizers Cooperative (IFFCO). The Jordan Phosphate Mines Company contributes to 48% of the company's capital. And the cost for the project is estimated at USD 860 million.54% of the construction cost has been funded by the shareholders, and the other 46% was funded through loans from the International Finance Corporation (IFC) and the European Investment Bank (EIB). JIFCO is expected to utilize about 1,8 million tonnes annually. The inauguration of the Factory has been under the Royal high patronage and Head of State of India in October 2016.

B- Jordan Abyad Fertilizer and Chemicals Company (JAFCCO):

The Jordan Abyad Fertilizer and Chemicals Company (JAFCCO) was established in 2007 to produce fertilizers and chemicals at Al-Wadi Al-Abiad mine, in partnership with JAFCO Bahrain Co., Arab Mining Company, Venture Capital Bank. JPMC's contributes 27.3% of the Company's capital.

C - Manajim Mining Development Company:

Manajim Mining Development Company was established in 2007 with Jordanian Trade Development Company, with a capital of JD (1) million. Jordan Phosphate Mines Company holds 46% of the share capital; Manajim Mining Development is responsible for Mining activities at Eshidiya mine.

D- Jordan Industrial ports Company(JIPCO):

Jordan Industrial Ports Company was established in 2009 for the purpose of managing and operating of Aqaba industrial port with the equal capital share contribution totaling of JD (1) million of both companies Jordan Phosphate Mines and Arab Potash Co., it is increased according to the needs of the project. Starting to achieve the project after signed the agreement with ADC the expected date to completed the project in first quarter in 2017. JIPCO signed the contract on 1st February 2015, with the consortium (Tecnicas Reunidas, S.A. - PHB Weserhutt, S.A.). and the cost for the project is estimated at USD200 million..

E- PT Petro Jordan Abadi Company:

The PT Petro Jordan Abadi Company was established in Indonesia in partnership with the Indonesian Petrokimia Gresik Company to produce phosphoric acid using (800) thousand tonnes annualy phosphate from the Jordan Phosphate Mines Company. JPMC contributes to 50% of the company's capital. the capital of the Company is USD (62) million.

F- Arkan for Contracting and Construction Company:

Arkan for Contracting and Construction Company was established in 2011, with Al- Own Modern Contracting with a capital of JD (25) million. Jordan Phosphate Mines Company holds 46% of the share capital. Arkan Company is responsible for Mining activities at WadiAl-Abiad Mine.

G- PT Kaltim Jordan Abadi Company:

The PT Kaltim Jordan Abadi Company was established in Indonesia in partnership with the Indonesian PT Pupuk Kalimantan Timur Company (PKT) to produce phosphoric acid using phosphate from the Jordan Phosphate Mines Company. JPMC contributes to 40% of the company's capital.

Subsidiary companies

A- Indo-Jordan Chemicals Company (IJC)

The Indo-Jordan Chemicals Company (IJC) was established in 1992 with a capital of USD 63.4 million. IJC annual production capacity is (224) thousand tonnes of phosphoric acid. Fully owned by JPMC .

Phosphoric Acid Production during 2015 was (188,2) thousand Tonnes compared with (206,1)thousand tonnes in 2014.

Phosphoric Acid Sales (P_2O_5) Sales during 2015 was (184,2) thousand Tonnes compared with (213,5) thousand tonnes in 2014.

Workforce

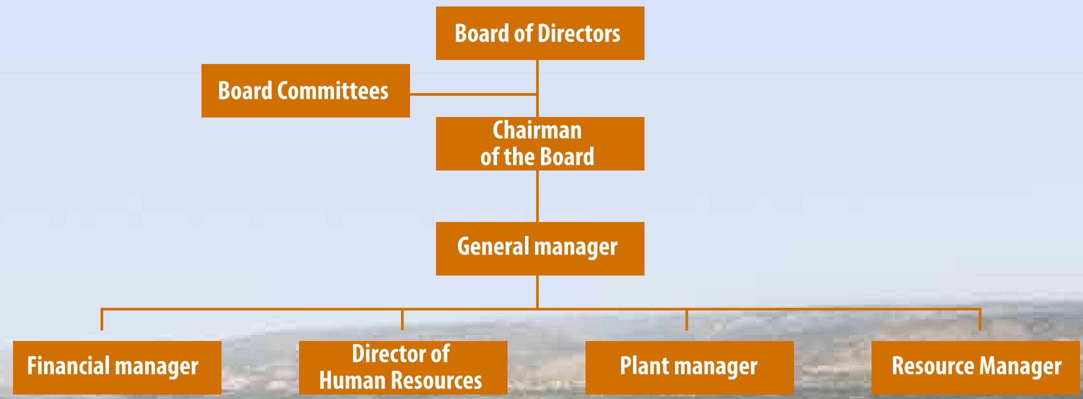
The total number of employees in The Indo-Jordan Chemicals Company (IJC) was (387) by the end of 2015 distributed by qualification as following:

Employee Details IJC	University Graduate	Institutes	High School &Below	Total
Engineer	34	-	-	34
Technical	50	91	54	195
Administration	21	9	20	50
Accounts	20	0	0	20
Laborers	0	25	53	78
Drivers	0	1	9	10
Total	125	126	136	387

Address:

Amman – AL-Rabia Ghazi Al Dabbas Center

B.O. Box: 17028 Amman 11195 Jordan



B- Ro'ya Transportation Corporation (L.L.)

The Ro'ya Transportation Corporation was established in 2010 with a capital of JD 100 thousand wholly - owned to Jordan phosphate mines company.

Workforce

The total number of employees in The Ro'ya Transportation Corporation reached (35) by the end of 2015 distributed by qualification as following:

Employee Details	University Graduate	Institutes	High School &Below	Total
Administration	11	2	3	16
Laborers	-	3	4	7
Drivers	-	-	12	12
Total	11	5	19	35

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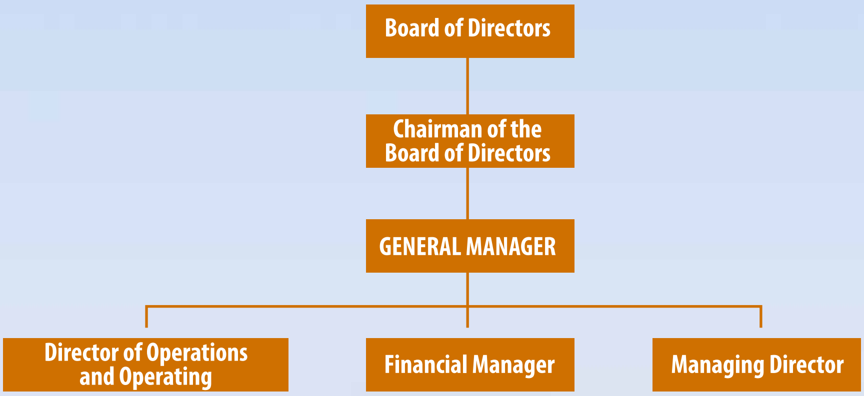
Amman
Tel: 5686293 – Fax: 5686294



C - Nippon-Jordan Fertilizer Company (NJFC)

The Nippon - Jordan Fertilizer Company (NJFC) was established in 1992 with a capital of USD24 million and produces compound fertilizers and ammonium phosphate fertilizer with an annual production capacity of 300 thousand tonnes. JPMC contribution is 70% of NJFC's capital.

Production Chemical Fertilizers (NPK&DAP) during 2015 was (275,4) thousand Tonnes compared with (290)thousand tonnes in 2014.

Chemical Fertilizers (NPK&DAP) Sales during 2015 was (292,3) thousand Tonnes compared with (275,3) thousand tonnes in 2014.

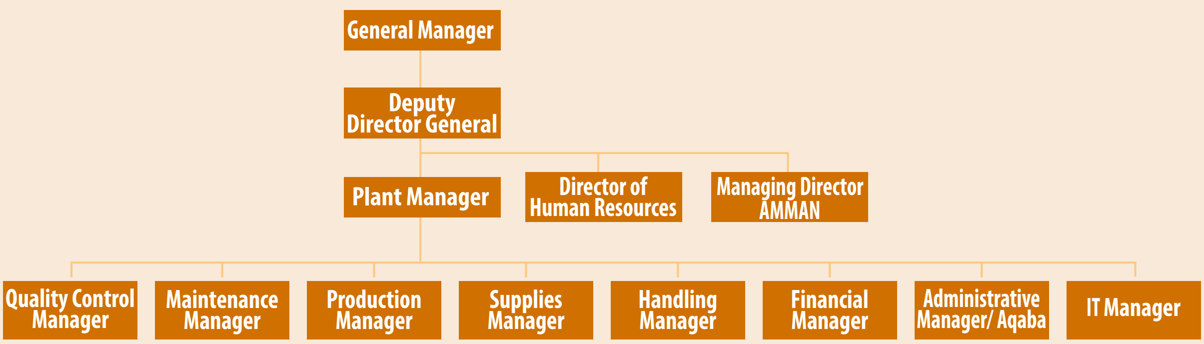
Workforce

The total number of employees in The Nippon-Jordan Fertilizer Company (NJFC) reached (129) by the end of 2015 distributed by qualification as following:

Employee Details IJC	University Graduate	Institutes	High School & Below	Total
Engineer	23	-	-	23
Technical	17	20	22	59
Administration	7	6	7	20
Accounts	6	-	-	6
Laborers	-	-	14	14
Drivers	-	-	7	7
Total	53	26	50	129

Address:

Essam Ajlouni Street
Building 59 - Next to the Marriott Hotel
Shmeisani - Amman
P.O.Box 926861 Amman, 11190 Jordan



Research, Environment and Quality Control

By virtue of scientific research, production development and control, the Company has always been keen on re-engineering its operations and products to help maintain its reputation and visibility on the international markets. Customers must always receive the products they need according to the specifications they aspire.

The Company Management is keen on doing analyses, studies, research and development as well as delivering technical services on its several sites, or companies or importers of its products of raw phosphate or chemical fertilizers. The Company conducts studies to evaluate the discovered crudes and studies to increase the pilot laboratory percentage of all types of produced phosphate. These types are evaluated in producing phosphoric acid at the pilot level. Moreover, services are delivered to scientific institutions, companies, and universities by means of supporting some scientific research projects and graduation project for some students in Jordanian universities with an eye on the local community. The Company delivers supervisory programs to train university students and newly graduate engineers at its labs depending on its specialized technical staff members who enjoy and multidiscipline and extensive experience. The Company also possesses technical equipment, lab sets, and several pilot plants. In cooperation with ALEFF Group and the Ministry of Environment, the Company is considering a study to exploit Rusaifa Phosphate in fertilizer manufacturing (SSP).

- The OHS certificate for the Industrial Complex was renewed and Implemented in line with ISO 14001. The Training Department is delivering training to the staff of environment and public safety in the several locations of the Company to equip safety and environment disciplines there; training includes the occupational safety system as well (OHSAS 18001:2007).

- Work is underway to requalify Unit No. (53) and (54) at the sulfuric acid plant including replacement of the primary and final absorption towers and the final drying tower in addition to some heat exchangers in order to control emissions keeping them at the minimal level possible according to the environment requirements.

- Observing environmental and public safety, the Company is keen on implementing its processes and activities in safe and sound environmental conditions. It implements ecological systems, and occupational safety and health in line with the internationally observed standards; it maintains ecological elements on the Company's sites and the surrounding areas. The Company is keen on conserving the natural resources including surface and ground water; it seeks to achieve the best use of such sources and maintain the distinguished marine environment in the Aqaba Gulf area.

Workforce and Benefits :

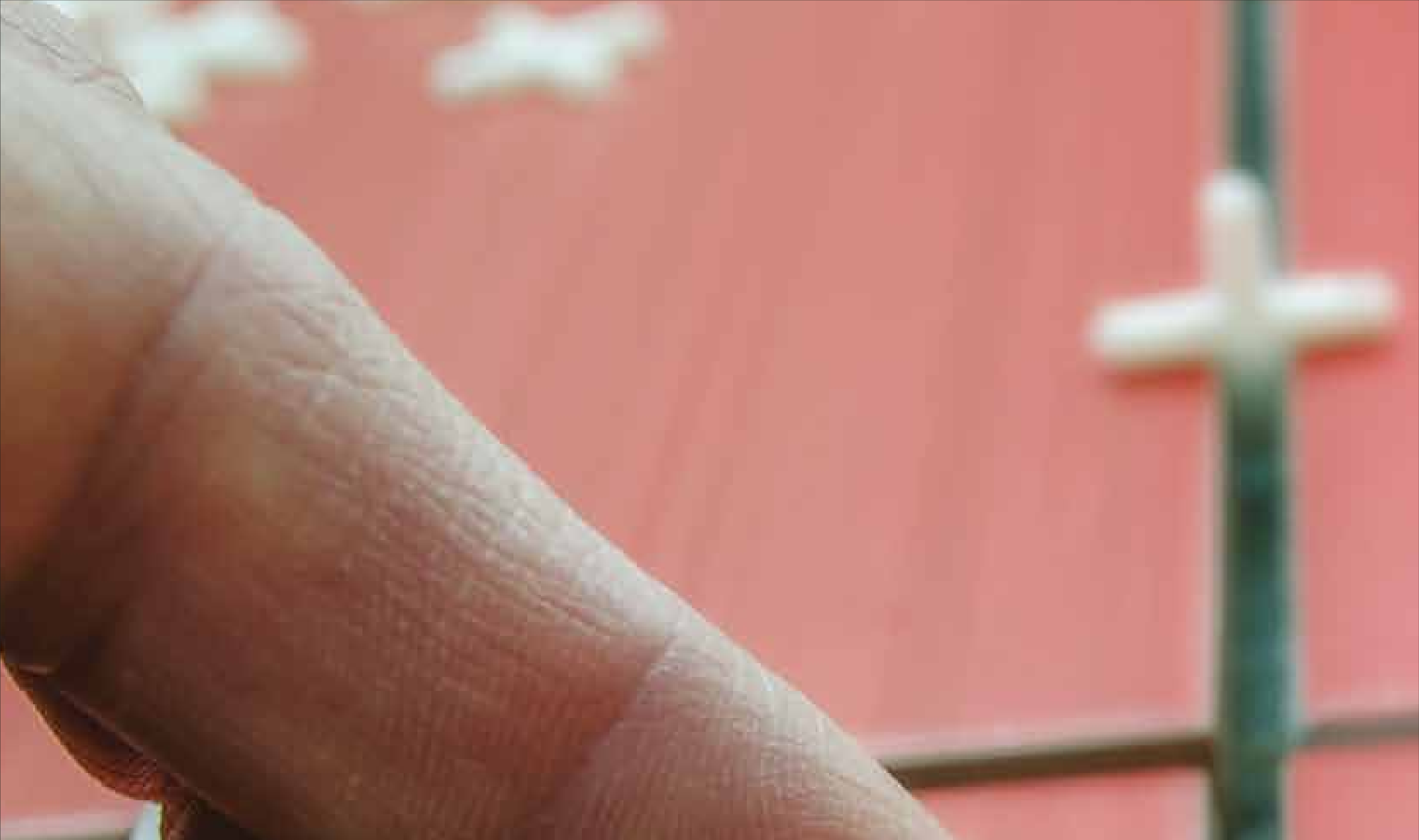
The total number of employees reached (3430) by the end of 2015.

The following table illustrates the demographics of the JPMC's workforce by qualification and location:

Location	Engineer	University Graduate Technical	University Graduate Administrative	Middle Technical	Middle Administrative	Technical Less Than Tawjihi	Administrative Less Than Tawjihi	Total
Headquarters								
Male	25	9	108	11	34	9	34	323
Female	19	7	45	-	19	-	3	
Research Department Centre								
Male	5	4	7	10	5	3	3	47
Female	5	2	-	2	1	-	-	
Eshidiya Mine								
Male	60	21	73	241	88	277	374	1134
Female	-	-	-	-	-	-	-	
Russeifa Mine								
Male	-	1	5	3	3	1	3	16
Female	-	-	-	-	-	-	-	
Al-Hassa Mine								
Male	46	12	27	114	73	111	163	557
Female	2	1	-	1	2	-	5	
Al-Abiad Mine								
Male	29	9	16	74	60	57	119	364
Female	-	-	-	-	-	-	-	
Export Department/Aqaba								
Male	1	1	1	6	8	3	8	30
Female	-	-	1	-	1	-	-	
Industrial Fertilizer Complex /Aqaba								
Male	70	15	36	245	67	209	210	894
Female	8	7	8	4	11	-	4	
New Rock Phosphate Terminal								
Male	8	-	6	15	9	5	22	65
Female	0	-	-	-	-	-	-	
Total	278	89	333	726	381	675	948	3430
Percentage	8.1%	2.6%	9.7%	21.2%	11.1%	19.7%	27.6%	100.0%

The following table shows the total employees in each of the past ten years:

Year	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Employees	3430	3978	4056	4234	3767	3775	3811	3816	3870	4019



Housing Loans:

Total housing loans granted to the employees since the Fund establishment till the end of 2015 was JD (29,079,414); the Company is liable for JD 1,068,406 for the loan contracts to employees signed in 2015 be paid to them in 2016. Thus, total housing loans granted and liable for repayment count for JD 30,147,874 with 1662 employees benefiting from them on all sites of the Company. The loan is as 150 times as the basic salary with a ceiling of JD 30,000.

Training and Development:

In 2015, and as part of its efforts to develop the capacities and skills of its human resources, the JPMC developed 29 training programs for 135 employees from various positions within the Company distributed as follows:

Nature of Programs / Location	Administrative, Accounting and Financial	Technical Courses specialized with natures work of the company	Security ,Safety and Environmental	Lectures Courses and Conferences	TOTAL
Programs held at company's training centers	-	-	1	-	1
Programs held inside Jordan	11	4	2	6	23
Programs held outside Jordan	3	1	-	1	5
Total	14	5	3	7	29

A total of 50 students were trained as part of the training agreement signed with the Vocational Training Corporation, along with 81 engineers and geologists at various company locations, as part of the agreement signed between JPMC and the Jordanian Engineers and Geologists Associations. Moreover, 42 students from universities and community colleges were also trained within their academic specialization for graduating purposes.

In 2015 the company is granting each worker a scholarship to one of his sons, in addition granted (10) scholarship for the children of retired employees, this was accordance with the grant regulation since 2006. The total cost of the grants in 2015 was about JD 547 thousand.

Medical and Health Services:

The Company provides distinct and comprehensive health care to more than 17,6 thousand beneficiaries including employees and their families. These services are delivered at the clinics of the medical service department all over the sites where the Company operates. There is a wide medical network that the Company relies on all over the Kingdom.

In 2015, the Company computerized the medical services as some medical agencies operate on-line dealings; which helped build a database to show the medical history of each beneficiary. This base helps save medical expenses and avoids redundant medical interventions and procedures for the treatment phase.

The Company has been keen on continuing its best medical services to employees and their families. The agreements and contracts were renewed with more than 2100 medical agency. A booklet was produced with the names and addresses of all medical agencies accredited for this purpose. The Company has also approved the fees of all medical agencies according to the fees list approved by the Ministry of Health, the doctors' association, the dentists association, and the laboratories' association.

Cost of Medical Treatment for Employees and Families of Employees, 2011-2015 :

Description	2015	2014	2013	2012	2011
A - Cost of Medical treatment for employees	2,291	3,357	3,493	3,412	3,293
B - Cost of Medical treatment for employees Families	3,246	3,277	3,425	3,516	3,216
Total (A + B)	5.537	6,634	6,918	6,928	6,509

(Thousand JD)

Post-Retirement Medical Insurance Fund:

The Company provides medical insurance to its pensioners due to old age or early pension in compliance with the relevant bylaw. Each year, the Company pays 50% of the costs incurred in this respect. It also finances the cash deficit in the Fund. In 2013, the Company provided medical insurance to the pensioners' children. Beneficiaries are expected to mark an increase of 1055 beneficiaries (pensioners, their wives, and children).

(JD)

Description	2015	2014	2013	2012	2011
The cost of health insurance after retirement (Retirees, their spouses and their children)	4,016,646	3,307,208	3,132,315	1,757,654	1.734,216
Amounts paid from the company's contribution to the health insurance fund for post retirement	2,733,143	1,533,204	1,652,058	1,095,093	1,986,111
Number of beneficiaries	5479	4873	4440	4000	3233

Future plans

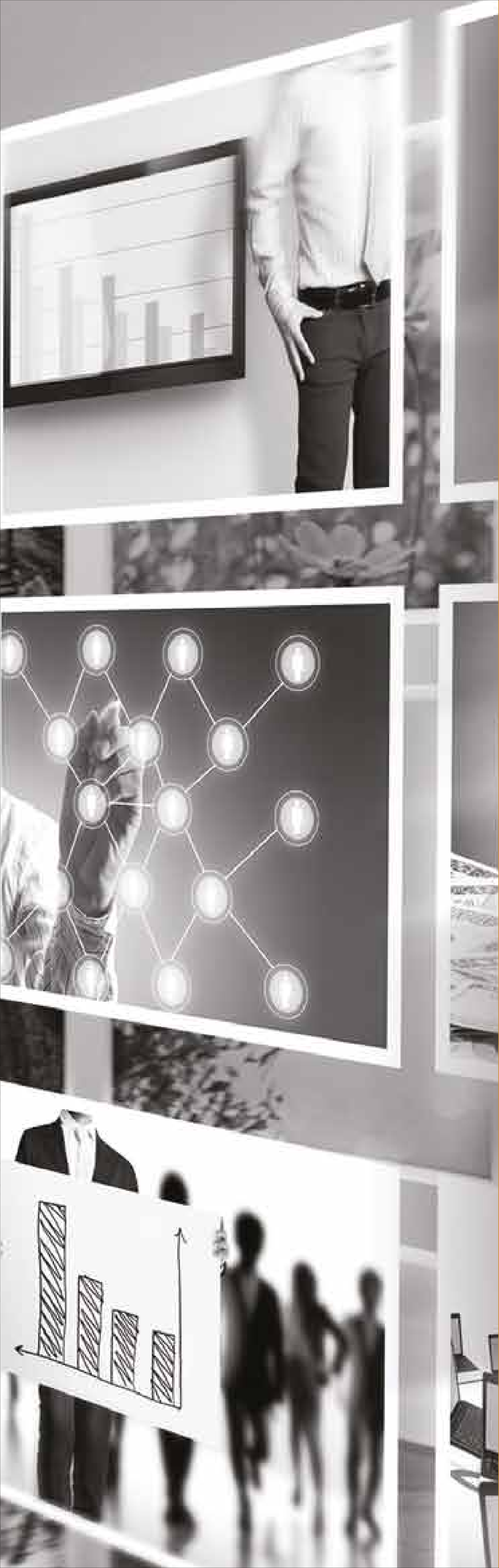
- The project to rehabilitate and increase the production capacity of the fertilizer plant units 75 and 76/the industrial complex implemented by SNC-LAVALIN caters for an increased production capacity of the fertilizer units and improved quality in addition to reducing the ammonia emissions.

The piloting phase of the fertilizer plant witnessed several impediments and technical problems as the Contractor failed to achieve targets stipulated in the agreement. Therefore, the Company sent a notice to remedy on 28/5/2014 to the contractor and set a period of 9 months as from the date of the notice to complete that and fulfill the requirements in the agreement. Meetings were held with the Contractor in presence of technical experts in the Company, the technical consultant Nexant, and the legal consultant Clifford Chance and all the subject-matter issues were discussed. The Contractor reiterated full commitment to implement the required repairs and submit a detailed plan of action including provision of resources, timing, and reports…etc. They agreed to extend the notice to remedy in order to implement the required reforms and achieve the performance bonds as per the (Make Good) contract for both 75 and 76 unit production lines. All works required for the 75 line are to be completed by 1/4/2016 the latest. All the 76 line works are expected to be completed by 1/6/2016 the latest.

Due to delayed supply of the reactor equipment, the execution schedule was modified whereby the contractor submitted a modified program of action that details the delay in implementing the repairs of 75 unit; the schedule is for (2.5) months and (1) month approximately for the unit 76. The unit of 75 will be finished and tested on 15.6.2016. Immediately after, the repairs of unit 76 will be introduced on condition that the installation works and test of performance be done at the end of July 2016.

- The rehabilitation and production capacity project of the sulfuric acid plant/the industrial complex executed by (SNC-LAVALIN) included requalification of sulfuric acid for the units 53 and 54 to increase its production capacity and replace the dryer and absorption towers, and the heat exchangers as well as replacing the cells of fresh water cooling tower as these equipment have exceeded their shelf life.

-The pilot operation started and some modifications were introduced to the reactor for both units during the annual recess of the industrial complex in April 2014. In the meantime, work is underway to complete the postponed works in the two units (53 and 54) of sulfuric acid. However, a carryover of the sulfuric acid drops from the final absorption tower in unit (54) was noticed. Accordingly, the operational capacity is identified at 85% of the design capacity for both units of the sulfuric acid plant in order to identify the reason for this and treat it.



As the contractor was late in supplying the heat exchanger for the unit (54), the required repairs and the remaining works for the units (53 and 54) were not implemented. The performance tests were done during the annual maintenance works for the plants in the second quarter of 2015 as planned. The unit 54 was stopped on 20/10/2015 after receiving the heat exchanger on the site and implementation of the unit 54 works. These included replacement of the exchanger and the interfaces of the absorption tower as well as replacing the catalyst for the first layer of the reactor. Operation stopped for 35 days and was resumed on 25/11/2015 with (50%) of the design capacity due to the limited storage capacity for the produced acid.

On 20/1/2016, operations were launched to increase the production capacity of unit (53); however, and at about 95% of the design capacity, it was noticed that the temperature of gases going into the reactor exceeded the design limit. The test was stopped immediately.

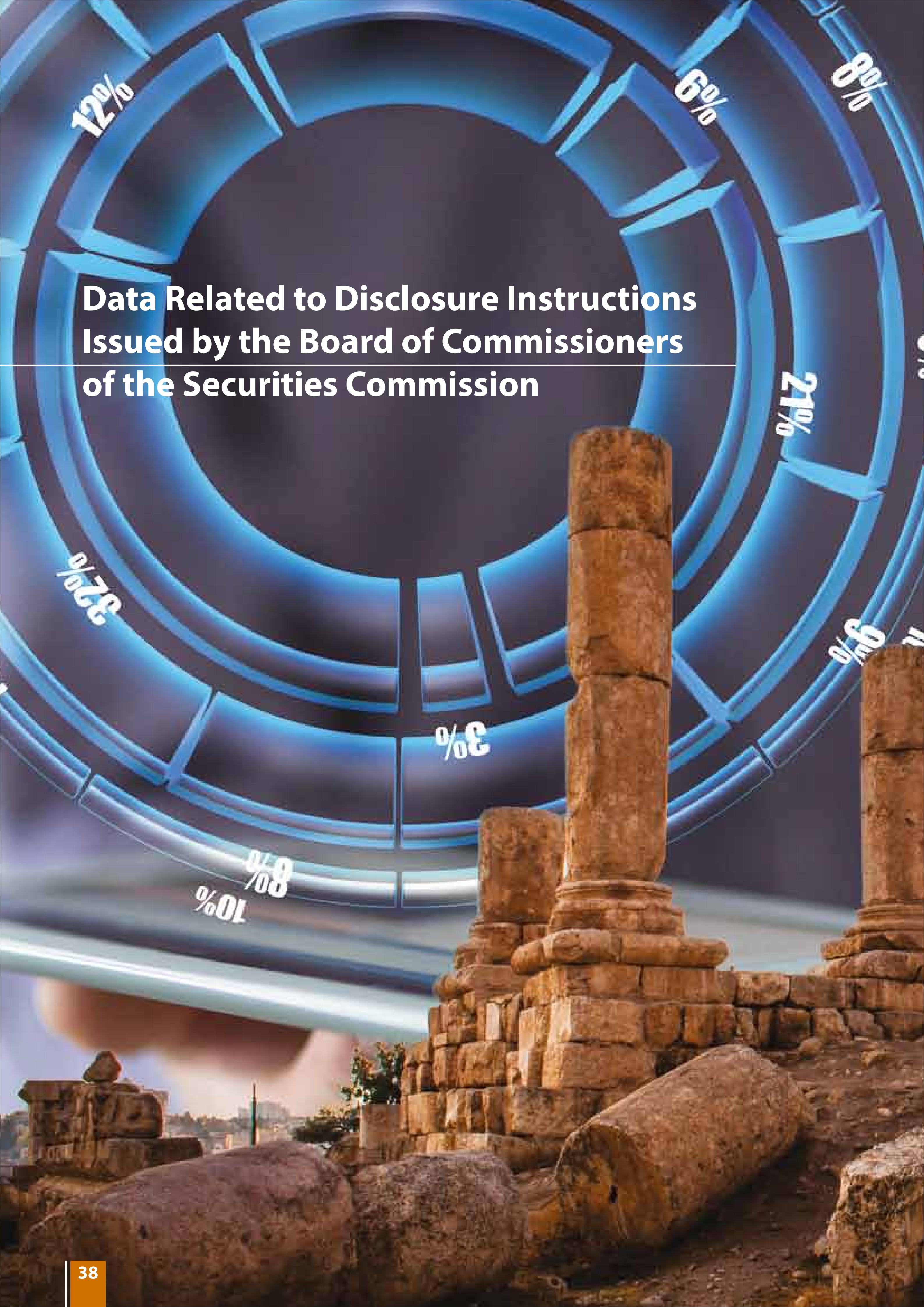
Currently, the Company is exchanging with the contractor to identify procedures to be implemented and identify the reasons for not achieving the design capacity. Technical constraints and problems for not realizing the design capacity are to be identified and removed. In fact, the agreement with the contractor provides for having the contractor implement the Make Good works if the designed capacity could not be reached.

- The project to drill and develop (6) deep wells In Eshideyeh: the Contractor (Site Group) has already installed and tested the water pumps at all wells ending with well (2) on 16/9/2015. Accordingly, and upon agreement, on 16/11/2015, the delivery certificate of all wells with an attached list of all the other works that the contractor must complete within 60 days.

- The infrastructure Project for deep water wells:

On 26/3/2013, Jordan Phosphate Mines Company, PLC. signed an agreement for JD 14.250.000 with the Middle East Company on EPC Turnkey Lump Sum Basis to implement the infrastructure project for the six deep water wells that the Site Group are implementing in Eshideyeh. Due to the nature of the project and the overlapping functions of implementation between the two companies, some functions by the Site Group cannot be implemented unless those by the Middle East Company have already been completed. The mutual agreements identify this issue and commit both parties to fully coordinate accordingly. Drilling and installation of the pumps are completed and tested. The Middle East Company has substantially implemented the infrastructure works that include the reservoir, the cooling tower, the conveyor pipe and the electric equipment in November 2015. Thus, the piloting and testing phase started on 22/11/2015 for the components of both projects. The remaining works and performance tests are expected to be completed in April 2016.

Data Related to Disclosure Instructions Issued by the Board of Commissioners of the Securities Commission



Data Related to Disclosure Instructions Issued by the Board of Commissioners of the Securities Commission

Following are some instructions related to disclosure instructions:

A. General Information

- The Jordan Phosphate Mines Company was got mining rights to mine phosphate at various production locations throughout the Kingdom, including Al-Hassa, Al-Abiad, Russeifa, and Eshidiya, and through official decisions issued by the Natural Resources Authority under Law No. (12) for the year 1968 The Organization of Natural Resources Affairs Law (Mining Rights number 1&2 in Al-Hassa and Eshidiya), and a mining lease agreement for Russeifa, signed with the government of the Hashemite Kingdom of Jordan/Ministry of National Economy prior to that. The Cabinet decided on November 13, 2001 to renew the contract concerning mining rights in Al-Hassa and Al-Abiad for 20 years.

- The Cabinet decided on November 20th, 2001 to improved to amend the law of Mining fees to be JD (1,420) per tonnes sold or utilized as of January 1st 2001.

- The Cabinet decided on April 17th, 2013 to amend the regulation of Rock Phosphate Mining fees for the year 2013, to become effective as of March 7th 2013, to be 5% of the total sales of the Jordan Phosphate Mines Company or JD (1,420) per tonnes, whichever is greater, shall be forwarded to the treasury. This applies to the quantities exports, sold or utilized by the company. Proceeds shall be paid monthly during the month following earning.

- The Fertilizer Industrial Complex in Aqaba obtained the (ISO 14001) Environmental Management System, (OHSAS 18001) Occupational Health & Safety Management System and the (ISO 9001) Quality Management System approved by Lloyd's Register Quality Assurance. Moreover The Export Department in Aqaba obtained the ISO 9001by (SGS).

- The Jordan Phosphate Mines Company is an enterprise, duly registered and licensed/ industrial activities at the Aqaba Special Economic Zone Authority in 2001. In light of this, the Fertilizer Industrial Complex enjoys privileges and exemptions contained in the law of the Aqaba Special Economic Zone.

- The Jordan Phosphate Mines Company was re-registered at the Income and Sales Tax Department under the number 49918 as of January 1st 2001.

B- External Audit Remuneration :

The remuneration to external auditors of the Group Messrs Ernst &Young for 2015

(JD)

Company / Description	Annual fees	Sales Tax 16%	Total
Jordan Phosphate Mines Company PLC	80,000	12,800	92,800
Indo- Jordan Chemicals Company L.L. (IJC)	13,000	-	13,000
Nippon Jordan Fertilizers Company L.L. (NJFC)	5,500	880	6,380

The remuneration to external auditors Messrs Masuod for Auditing and Consulting for 2015:

Roy'a Transportation Company	2,000	-	2,000

C- Company Sales to Major Customers during 2015:

Country	Phosphate Sales		Fertilizer sales		Percentage of trading in Raw materials (%)
	Percentage of total sales (%)	Percentage of total Exports (%)	Percentage of total sales (%)	Percentage of total Exports (%)	
India	49,44	66,78	28,74	38,09	-
Turkey	-	-	17,38	23.03	-
Indonesia	11,5	15,53	-	-	-
Iraq	-	-	9,64	12,78	-
Bulgaria	-	-	7,5	10,03	
Egypt	-	-	5,84	7,74	-
Serbia	3,11	4,2	-	-	-
Dubai	-	-	3,11	4,12	-
Bangladesh	2,30	3,11	-	-	-
Australia	1,27	1,72	-	-	-
Local Sales, Subsidiaries and Affiliated companies	25,96	-	24,15	-	100

D- List of Company Activities According to Geographic Location and Volume of Capital Investment for 2015:

(thousands JD)

Location	Type of Activity	Capital Investment
Russeifa Mine	Re-processing of stockpiles	4,535
Al Hassa Mine	Production of normal and washed phosphate	64,260
Al Abiad Mine	Production of normal and washed phosphate	24,215
Eshidiya Mine	Production of normal, washed and floated phosphate	255,415
Industrial complex/Aqaba	Production of fertilizers, phosphoric acid, and aluminium fluoride	211,285
Other Locations	Other Locations	12,962
Total		572,672

E- List of Main Contractors and local Suppliers for 2015 :

(thousands JD)

Description	Amount	Percentage of total purchases (%)
Phosphate Excavation Contractors	161,037	48,32
Phosphate Transport Contractors	60,068	18,03
Jordan Refinery Company	19,437	5,83
Electricity Companies	29,246	8,78
Water Authority and Aqaba Water Company	10,841	3,25

F- Contributions of Board Members and Senior Management Personnel in the Company Capital during 2015-2014:

Name of Contributor	Nationality	Shares of Stock	
		2015	2014
- Members of the Board of Directors :			
Eng. Talal Al- Saadi - until 25/3/2015	Jordanian	250	250
Mr. Khaled Quran	Jordanian	450	450
- Top Management : Dr. Shafik Ashkar/CEO	Jordanian	1,680	1,680

Mr. Chairman owned 500shares for Jordan Phosphate Mines Company on 18th February 2016. Otherwise, Chairman of the Board of Directors or Board members or any of the senior management don't have any shares in the company's capital in the year 2015.

G. The Company's Contract, Projects and Links with the Chairman of the Board of Directors or Board members or General Manager, or any employee in the Company or their relatives

JPMC has no contracts, projects or connections with the Chairman of the Board, Board members, CEO or any employee in the Company or their relatives.

H- The Company's Role in Development and Serving the Local Community:

The Company has continued the buildup of a close development network to embrace all efforts contributing to the development of localities close to the production and plants' areas. Via Tikeyet Umm Ali, the Company supported those entitled to assistance all over the Kingdom. In addition, a cooperation agreement was signed with the Jordanian Hashemite Fund for Human Development to finance some projects in some areas to the south of the Kingdom. From a corporate social responsibility perspective, the Company is providing assistance and donations to the institutions and projects aimed at developing these communities. It responds to the community needs in a collaborative manner and serious joint quality work to introduce positive tangible change. Every year, the Company contributes financially to several events in the Kingdom including socio-economic, cultural, sports and health-care event. Indeed! The Company can boast of being a pioneer of corporate social responsibility which has become a national mission for it!

I - Donations:

The total cash and in-kind donations, submitted by the company, during 2015, reached JD (1,786) million to development of the local society and support of Various Activities .The following table shows the details of donations paid by the company during 2015:

The Company's Contribution in the Development Local Society and Support of Various Activities During 2015:

JD	Description
154,313	The Community Rehabilitation Program
547,314	Scholarships
250,000	Charity Packages Campaign
187,273	Support Religious , Cultural , Tourism, Social Activities, Environmental and Medical And Health Activities
126,000	Hashemite Fund For Human Development
190,050	Welfares Organization and Pockets of Poverty
71,453	Support Of Public institutes Unions
165,350	Support the Municipal
46,500	Supporting Sports Activities
47,267	Supporting Schools, Scientific Institutes , Jordan Universities, Educational center
1,785,520	Total

Donations paid by the company during 2011-2015

(JD)

2015	2014	2013	2012	2011
1,785,520	2,590,807	4,315,485	2,284,786	3,993,703 (*)

* In 2011 was allocated an amount of JD 7 millions, the remaining balance spent in subsequent years.

J- Board of Directors:

Representative of Social Security Corporation:

Eng. Amer Al-Majali \ Chairman of the Board as of March 12th 2015.
Date of Appointment: March 11th 2015.

Eng. Amer Al-Majali \ Chairman of the Board of JPMC from Februray 28th 2013 until of March 10th 2015 as a representative of Kamil Holdings Limited.

B.Sc. in Civil Engineering, UK.

Worked in the Manufacturing, Investments, and Contracting sectors.

Formerly: Chairman of the Board of Commissioners of Development and Duty Free Zones, Chairman of the Board of Directors of Jordan Ibda'a Company, Chairman of the Board of Directors of the Industrial Cities Company, Vice Chairman of the Board of Directors for the Duty Free Zones, General Manager for Industrial Estates Corporation also worked in planning and senior management and studies with Fluor Corporation in the United States of America.

Date of Birth: October 29th1950.

Representatives of Kamil Holdings Limited:

- H.E. Eng. Muzahim Muhaisin

Education: B.Sc. in Civil Engineering

Free Lance Engineering Consultation

Formerly: Minister of Agriculture (2007-2009) Labor Minister (2001-2003) Director General Vice Chairman for Vocational Training Corporation, Secretary General Ministry of Communication and Post.

Date of Appointment: March 19th 2015.

Date of Birth: October 26th 1948.

Mr. Junaidi Masri:

Education: B.Sc in Computer & Management Sciences.

Acting General Manager Brunei Investment Agency (BIA).

Date of Appointment: March 30th 2006.

Date of Birth: July 14th 1963.

Eng. Faisal Doudin:

Education: B.Sc. in Chemical Engineering.

Formerly: working in JPMC from 1980-2012 and occupied several senior positions, Managing Director to Indo-Jordan Chemicals Company (IJC) (2011-2012) and Project Adviser to Jordan-India Fertilizer Company (JIFCO).

Date of Appointment: April 20th 2015.

Date of Birth: January 20th 1950.

Eng. Talal Al-Saadi until March 25th 2015:

M.Sc. in Industrial Mineralogy, M.Sc. in Engineering Mineral Process Design.

General Manager/ Arab Mining Company.

Date of Appointment: March 30th 2006.

Date of Birth: January 1st 1943.

Representatives of Jordan Ministry of Finance until January 10th 2016
Representatives of Governmental Shareholdings' Management Company (L.L.) from March 19th 2016

H.E. Abdel Karim Malahmeh\ Deputy Chairman of the Board:

Education: B.Sc. in Sociology, Bachelor in Law, Higher Diploma in Management.

Deputy Chairman Irbid Electricity Company PLC, Chairman of the Board of the Indo-Jordan Chemicals Company (IJC).

Formerly: Minister for Parliamentary Affairs, Governor at the Ministry of Interior for several provinces, Chairman of the Board of the Electricity Distribution Company, Chairman of the Board Irbid Electricity Company.

Date of Appointment: June 20 th 2012.

Date of Birth:February 4th 1952.

H.E. Dr. Eng. Munther Haddadin:

Education: Ph.D. in Civil Engineering (Construction), MA in Civil Engineering, BA in Civil Engineering.

Chairman of the Board of the National Resources Investment & Development Corporation.

Formerly: Minister of Water and Irrigation (1997–1998), President of the Jordan Valley Authority (1982–1987).

Date of Appointment: March 8th 2012.

Date of Birth: March 16th 1940.

Representative Of Social Security Corporation:
Mr. Saeed Shanan until March 11th 2015:

MBA in Finance, B.Sc. in Accounting.

Head of Operations and Administrative Affairs Department in Social Security Corporation.

Date of Appointment: December 15th 2011.

Date of Birth: October 21st 1966.

Representative of the State of Kuwait:
Eng. Mohammad Al-Munaifi:

Education: B.Sc in Industrial Engineering.

Acting Director of Institutions and New Projects Department/ Kuwait Investment Authority.

Date of Appointment: June 23rd 2015.

Date of Birth: July 16th 1959.

Mr. Hamad Al-Omer until June 23rd 2015:

B.Sc. in Business Administrator.

Deputy Director Manager: Kuwait Fund for Arab Economic Development.

Date of Appointment: April 19th 2008.

Date of Birth: Janury 13th 1956.

Representatives of the Private Sector:
Jordan Kuwait Bank/ Mr. Haethum Buttikhi:

Education: B.Sc. in International Policies & Relations.

Head of retail and Private Banking in Jordan Kuwait Bank.

Date of Appointment: April 28th2012.

Date of Birth: November 30th1977.

Mr. Khaled Quran:
Education: MBA in Business Administration Accounting Major, B.Sc. in Accounting.

Chief Financial Officer for the MENA Region/Hikma Pharmaceuticals company.

Date of Appointment: April 28th 2012.

Date of Birth: October 21st 1966.

K-Board Meetings Allowances, Committees Attendance Allowance, Representations & Transportation Allowances and Annual Remuneration for the year 2015 in (JD):

Board of Director Member	Position	Salaries	Board Meetings Allowances	Committees Attendance Allowance	Representations & Transportations Allowances	Travel Perdiem	Annual Remuneration For The Year 2014	Others
Representative of Social Security Corporation (1):								
Eng. Amer Al-Majali as of 11/3/2015	Chairman as of 12/3/2015	52,358	4,000	5,400	14,834	14,017	-	60,000
Eng. Amer Al-Majali(2)	Chairman until 10/3/2015	40,085	500	1,200	3,484	1,500	5,000	-
Representatives of Ministry of Finance/Jordan :							-	
H.E. Eng. Muzahim Muhaisin as of 19/3/2015	Member	-	3,500	4,800	18,839	-	-	-
Mr. Junaidi Masri(3)	Member	-	3,500	-	18,000	10500	5,000	-
Eng. Faisal Doudin as of 20/4/2015	Member	-	3,000	2,100	16,667	2,000	-	-
Eng. Talal Al-Saadi until 25/3/2015	Member	-	1,000	1,200	5,548	-	5,000	600
Representatives of Jordan Ministry of Finance:								
H.E. Abdel Karim Malahmeh	Deputy Chairman	-	4,500	6,000	24,000	6,750	5,000*	-
H.E. Dr. Eng. Munther Haddadin	Member	-	4,500	11,100	24,000	12,750	5,000*	-
Representative of The State of Kuwait(4):								
Eng. Mohammad Al-Munaifi as of 23/6/2015	Member	-	2,000	900	10,500	9000	-	-
Mr. Hamad Al-Omer until 23/6/2015	Member	-	1,000	-	7,500	3000	5,000	-
Representatives of the Private Sector:								
Jordan Kuwait Bank/ Mr. Haethum Buttikhi	Member	-	4,500	1,800	24,000	1,500	5,000	-
Mr. Khaled Quran	Member	-	4,500	2,700	24,000	-	5,000	-
Representative of Social Security Corporation(1):`								
Mr. Saeed Shanan until 11/3/2015	Member	-	500	900	4,710	-	5,000	600

The Chairman of the Board does not have any housing allowances but he use a company car.
The Members of Board of Directors have neither housing or car allowances.
The monthly transport allowances do not disbursed to members from outside the Kingdom.
(1) Paid to the Social Security Corporation.
(2) Chairman of the Board until 10/3/2015 as Representative of Kamil Holdings Limited and all amounts paid to the member.
(3) All amounts Paid to Brunei Investment Agency.
(4) Paid to the Kuwait Investment Authority except the ravel Perdiem paid to the board member.
(*) paid to the Ministry of Finance.

L - Senior Management information:

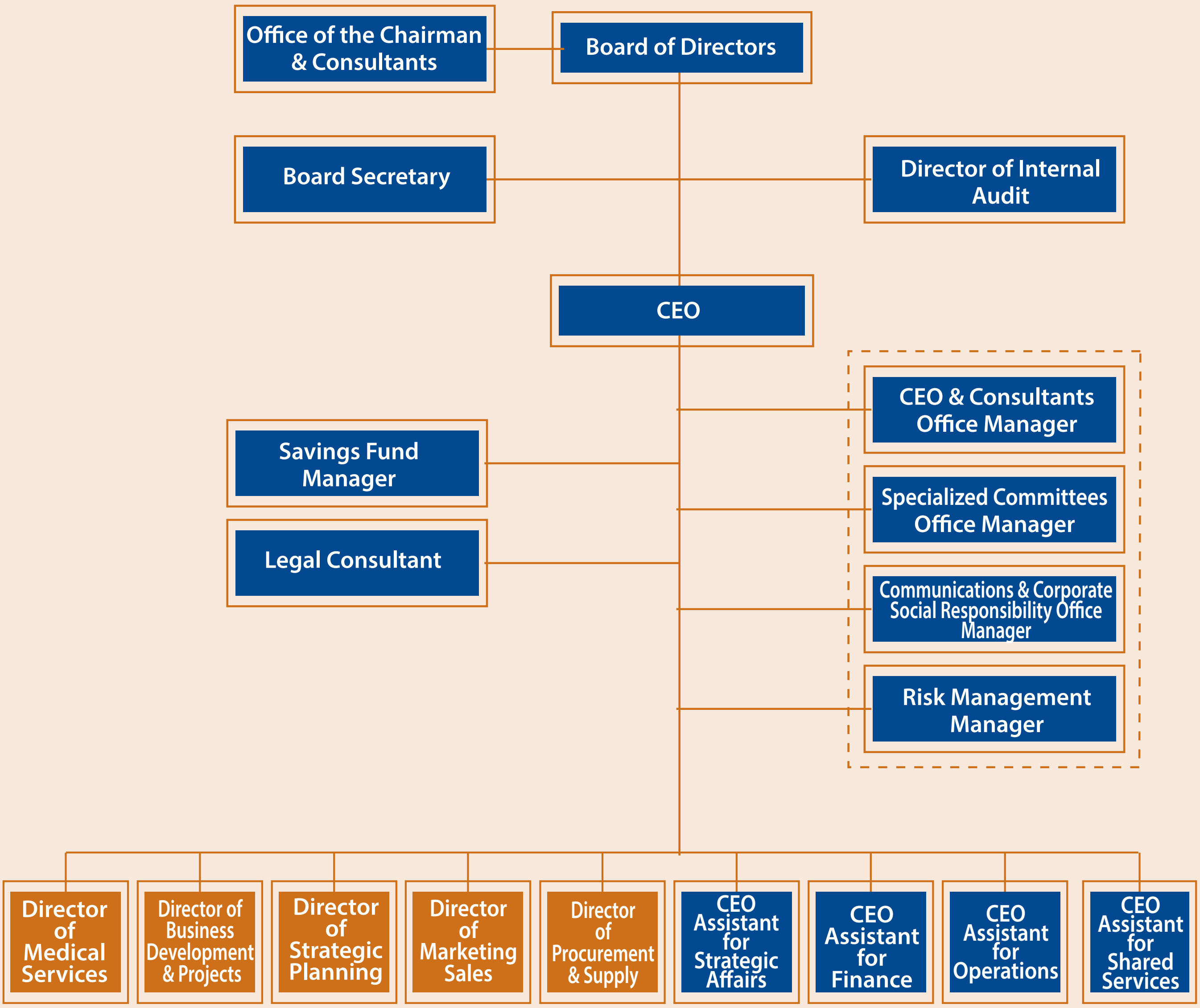
Name	Job Description	Nationality	Date of Appointment	Date of Position	Specialization	Educational Qualification
Dr. Shafik Ashkar	Chief Executive Officer	Jordanian	18/11/2013	18/11/2013	Economic and Industrial Management	BHD
Eng. Basam Ekali	CEO Assistant for Operation	Jordanian	8/3/1988	20/3/2014	Mechanical Engineering	BSc.
Eng. Mamdoh Jazi	CEO Assistant for Shared Services	Jordanian	16/8/1988 until 14/7/2015	23/10/2013	Mining and Mines Engineering	BSc. B.Sc.
Mr. Mahmoud Jaber	Advisor to CEO Assistant for IT and Training	Jordanian	1/7/2013 until 31/12/2015	1/7/2014	Business administration/Accounting	MBA B.Sc.
Mr. Rafat Ghabayen	CEO Assistant for Finance	Jordanian	18/8/2013	18/8/2013	Business administration/Accounting	MBA
Eng. Abed Salameh	Advisor to CEO for Development and Projects	Jordanian	1/12/1986	20/3/2014	Chemical Engineering	BSc.
Mrs Lara Mubydeen	Legal Consultant	Jordanian	1/7/2007	1/7/2007	- International Privet Law	LL.M
Mr. Khaled Alfanatseh	Advisor to Chairman for Labor Affairs	Jordanian	1/4/1995	9/7/2007	High School	-

M. Salaries and Benefits paid to Senior as of Management 2015:

Name	Job Description	Salaries / JD	Travel Perdiems / JD
Dr. Shafik Ashkar (*)	Chief Executive Officer	139,629	52,252
Eng. Basam Ekali(*)	CEO Assistant for Operation	63,642	7,090
Eng. Mamdoh Jazi(*)	CEO Assistant for Shared Services	30,752	-
Mr. Mahmoud Jaber	CEO Assistant for IT and Training	56,630	-
Mr. Rafat Ghabayen	CEO Assistant for Finance	74,948	5,569
Eng. Abed Salameh	Advisor to CEO For Development and Projects	91,335	-
Mrs Lara Mubaydeen	Legal Consultant	51,854	9,569
Mr. Khaled Alfanatseh (*)	Labor Affairs advisor to Chairman	86,140	23,800

* They use a company car

N -Organization Structure



Financial Position as of 31/12/2015

1. Company Capital (75 million shares /JD)

The Company's declared, subscribed and paid up capital is 75 million equity shares of stock, with a par value of One JD per share (1 JD/share), distributed as shown in the following table:

Name of Shareholders	2015 Number of Shares	2015 Percentage %	2014 Number of Shares	2014 Percentage %
Kamil Holdings Limited	27,750,000	37.000	27,750,000	37.000
Governmental Shareholdings' Management Co. (L.L.)	19,241,427	25.656	-	-
Social Security Corporation	12,342,208	16.456	12,342,208	16.456
Jordan Finance Ministry	3,969	0.005	19,245,396	25.661
Government of the State of Kuwait	7,000,000	9.333	7,000,000	9.333
Arab Mining Company	629,065	0.839	629,065	0.839
Kingdom Investment Group	408,900	0.545	408,900	0.545
Islamic Development Bank -Jeddah	235,640	0.314	235,640	0.314
Non-Jordanian Shareholders	2,891,226	3.855	3,346,255	4.462
Other Company's Shareholders	4,497,565	5.997	4,042,536	5.390
Total	75,000,000	100%	75,000,000	100%

2. Property and Equipment : (JD 674,2 million at cost, JD 158,6 million after deducting accumulated depreciation)

Property and equipment were valued at JD 674,2 million, (JD 654,2 million in 2014); a JD 20million increase from 2014 as a result of adding buildings ,roads and yards, constructions, machines and equipment, water and electricity networks, spare parts reserves , valued at JD 20,2 million. Conversely, JD 0.2 million of machines and equipment, furniture and office equipment and spare parts reserves were disposed.

3. Accounts Receivable before deducting provision for doubtful debts (JD 141,5 million)

Accounts receivable balance reached JD 141,5 million. After deducting a provision for doubtful debts amounting JD 21 million, the net is JD 120,5 million, of which accounts receivable resulting from phosphate rock processing activities amounted to JD 112,5 million, and accounts receivable resulting from fertilizer manufacturing activity amounted to JD 1,8 million and accounts receivable resulting from subsidiary companies activities JD 6,2 million .The following table details shown below:

Description	As at December 31	
	2015	2014
	Amount (JD)	Amount (JD)
Trade Receivables	68,336,349	84,323,242
Due from Associated Companies	65,717,885	40,142,609
Others	7,443,132	6,697,822
Total	141,497,366	131,163,673
Less: Provision for Doubtful debts	20,961,016	20,961,016
Net Accounts Receivable	120,536,350	110,202,657

A- Trade Receivables (JD 68,3 million):

Trade receivables amounted to JD 68,3 million, (JD 84,3 million in 2014), of which JD 61,9 million are phosphate rock sales receivables and JD 0,1 million are processed fertilizers sales and JD 6,3 million due from Subsidiary Companies. The receivables due and unpaid that accumulated between 1986 and 2002 amounted to JD 18.1 million, of which JD 15.7 are due from Ex. Yugoslavia. As for the remaining balance of JD 50,2 million will be collected on due date in 2016.

B- Dues from Associated Companies (JD 65,7 million):

Receivables due from associated companies amounted to JD 65,7 million, of which JD 41,7 million is due from the Jordan India fertilizer company (JIFCO), JD 0.5 million is due from the Jordan Industrial ports Company, JD 6,6 million due to Jordan Abiad Fertilizer Chemical Company (JAFCCO) and JD 16.9 million due to Petro-Jordan Abadi /Indonesia .

4. Inventory (JD 125,4 million)

Inventory was valued in 31 December 2014 JD 158,5 million (JD 158,5 million in 2014) Following are the details:

Description	As at December 31	
	2015	2014
A. Finished product stock Amount	**Amount (JD)**	**Amount (JD)**
Finished Phosphate Inventory	**17,894,541**	**19378582**
Finished Fertilizers Inventory	**27,892,407**	**14608899**
Finished subsidiary companies Inventory	**15,222,537**	**19259700**
Total Inventory of Finished Products	**61,009,485**	**53,247,181**
B. Inventory in Process	**Amount (JD)**	**Amount (JD)**
Phosphate Inventory in Process	**42,164,988**	**74868557**
Fertilizers Inventory in Process	**1,560,280**	**1714195**
Subsidiary companies Inventory in Process	**729,242**	**1438225**
Total Inventory of Products in Process	**44,454,510**	**78,020,977**
C. Raw Materials	**19,892,817**	**27271542**
Grand Total (A+B+C)	**125,356,812**	**158,539,700**

5. Loans Payable (JD 100 million)

Loans payable balance reached JD 100 million all of which are foreign loans. These are presented on the Company's financial position as long-term loans at JD 59,4 million, and short-term loans payable in 2015 at JD 40,6 million. It should be noted that the Company repaid JD 30,3 million in 2015 of which JD 26,4 million the instalments loan and JD 3,9 million are interest charges.

6 -Wages, Salaries and other Payroll Items (JD 123,7 million):

Wages, salaries and benefits extended to Company employees in 2015 amounted to JD 123,7 million (JD 115,7 million in 2014) increase from 2014 amount 6,9% The following table shows their breakdown:

Wages, Salaries and benefits extended to Company employees for the year 2015:

A. Wages, Salaries and benefits:

Description	Amount (JD)	
	2015	2014
Salaries and Allowances	67,121,285	70,468,858
Wages of Daily Paid Labour and Contractors	1,513,906	1,191,689
Industrial Apprenticeship Salaries	8,187	4,056
Other Rewards	969,361	622,901
Total (A)	69,612,739	72,287,504

B. Company contribution in Benefits Extended to Employees:

Description	Amount (JD)	
	2015	2014
Saving Fund	**2,442,558**	**2,623,551**
Social Security	**7,408,605**	**8,200,495**
Medical Treatment Expenses for employees	**2,291,312**	**3,357,171**
Medical Insurance Expenses for Employee Families	**3,245,972**	**3,277,074**
The company contribution in the post retirement health insurance fund	**2,733,134**	**1,525,000**
Meal Subsidies	**1,014,732**	**755,252**
End of Service Indemnity Fund	**364,210**	**1,485,672**
Paid End of Service Indemnity Expenses	**6,234,151**	**2,279,723**
Death and Compansation Fund	**10,297,185**	**-**
Total (B)	**36,031,859**	**23,503,938**
Total (A+B)	**105,644,598**	**95,791,442**

C. Wages, Salaries Extended to Subsidiary Companies Employees during 2015 and 2014:

Description	Amount (JD)	
	2015	2014
Salaries and Allowances	**16,944,082**	**15911055**
Total (A + B + C)	**122,588,680**	**111,702,497**

D. Bonus of the End-of-Service Compensation extended to JPMC employees and the Subsidiar-ies Companies during 2015 and 2014:

Description	Amount (JD)	Amount (JD)
	2015	2014
Current Bonus of the End-of-Service Compensation in Present Value	**1,063,236**	**3,986,935**

7 - Results of Closing Operations in 2015:

• Consolidated net sales revenues reached JD 750,2 million, of which JD 423,6 million in rock phosphate sales, JD 113,5 million in fertilizers sales, JD 186,4 million in Subsidiary companies sales and JD 26,7 million trading in raw material sales. (Compared to JD 738,4 million, of which JD 357,6 million in rock phosphate sales, JD 213,7 million in fertilizers sales, JD 154,3 million in Subsidiary companies sales and JD 12,8 million trading in raw material sales) in 2014.

• Other non-operational revenues reached JD 14,9 million of which JD 6,6 million for the phosphate unit and JD 4,9 million for the fertilizers unit and JD 3,4 million subsidiary companies (Compared to JD 17,6 million of which JD 13,4 million for the phosphate unit and JD 1,7 million for the fertilizers unit and JD 2,5 million subsidiary companies) in 2014.

• Consolidated total expenses reached JD 712,2 million, of which JD 374,2 million for the phosphate unit, JD 137,6 million for the fertilizers unit, JD 175,2 million for sales subsidiary companies and JD 25,2 million as cost of raw material for trading (compared to JD 727,5 million, of which JD 338,2 million for the phosphate unit, JD 233,2 million for the fertilizers unit, JD 144,7 million for sales subsidiary companies and JD 11,3 million as cost of raw material for trading) in 2014.

• Income tax allocations reached JD18,3 million compared to JD 7,6 million in 2014.

• Net profits after deducting income tax reached JD 34,6 million in 2015 compared to JD 20,9 million in 2014.

• Total equity reached JD 818.2 million in 2015 (JD 784million in 2014), with an increase 4.36% compared to the year 2014.

8 - Some Information and Financial Indicators:

A - Details of Major Financial Indicators for the Years 2011-2015:

(Thousand JD)

Details	2015	2014	2013	2012	2011
Revenues/Sales	750,174	738,429	574,412	759,426	812,415
Other Revenues	14,889	17,635	14,931	9,192	29,162
Total Revenues	765,063	756,064	589,343	768,618	841,577
Net Profits	34,646	20,935	2,595	131,733	145,255
Interest on Loans	3,894	2,818	741	508	0,745
Net Fixed Assets	158,552	160,758	170,994	162,564	175,739
Current Assets	412,902	440,523	397,458	379,368	376,884
Total Assets	1,174,183	1,211,466	1,112,494	994,797	911,721
Shareholders Equity	818,218	783,952	762,281	778,056	676,988
Long-Term Loans	59,414	39,871	58,065	46,690	33,426
Current Liabilities	269,620	338,727	254,572	131,911	156,228
Financial Ratios:					
Debt / Equity Ratio	11:89	8:92	9:91	7:93	7:93
Debt Service Ratio (%)	2.5	2,2	1,7	9,18	15.9
Current Ratio (Time)	1.53	1,3	1,6	2,7	2.4
Earning Per Share / JD	0.450	0.264	0,020	1.763	1.944
Closing Price Share /JD	5.470	6.520	7.150	13.000	12.740

B-Profits Realized, Dividends Distributed, Net Equity and Issued Securities Prices for the Years 2011-2015 :

(Thousand JD)

Year	Profit	Distributed Dividends	Net Shareholders' Equity	Year	Prices of issued securities Shares JD/ Share
2015	34,646	-	818,218	2015	5,470
2014	20,935	-	783,952	2014	6,520
2013	2,595	-	762,281	2013	7,150
2012	131,733	18,500	778,056	2012	13,000
2011	145,255	33,750	676,988	2011	12,740

C-Transactions with Treasury and Public Corporation during the years 2015 and 2014:

(Thousand JD)

Description	Year 2015	Year 2014
Ministry of Finance		
Mining Revenues Charges	21,000	21,994
Customs charges	403	531
Incomes stamps fees	30	101
Lands and Survey Department	3,889	3,889
Income Tax and sales Tax	9,258	5,685
Income Tax, and Tax on Social Services Deducted from Employee Salaries	1719	806
Company contribution in Social Security	6,854	8,207
Employee Contribution in Social Security	4,277	4,406
Aqaba Railway Corporation	8,866	10,108
Ports Authority	2,994	3,161
Public Security Directorate/Protection of Production Sites	2,517	577
Military Retirees Economic and Social Corporation/Protection Charges	1,169	1,067
The General Directorate of the Gendarmerie	280	-
Water Authority	10,553	8,856
Electricity Companies	24,139	16,969
Aqaba special Economic Zone Authority/Lease Lands & Income Tax	687	598
Natural Resources Authority/ Mining Fees	131	584
Total	98,766	87,539

D- Summary of Main Data on Company Position for the years 2011-2015:

Year	Total Assests JD thousand	Authorizes Capital JD thousand	Total Shareholders equity JD thousand	Net Income (JD thousand)	Production (Thousands tonnes)			Sales (Thousands tonnes)			Percentage of Dividends paid (%)	Number of Employees
					Phosphate	DAP Fertilizer	Phosphoric Acid	Phosphate	DAP fertilizer	Phosphoric Acid		
2015	1,174,183	75,000	818,218	34,646	8,335	344	426	8,184	318	252	-	3430
2014	1,211,466	75,000	783.952	20,935	7,144	590	498	7,301	646	234	-	3978
2013	1,112,494	75,000	762.281	2,595	5,399	494	444	5,097	483	219	-	4056
2012	994,797	75,000	778.056	131,733	6,383	551	447	6,188	532	182	25	4234
2011	911,721	75,000	676,988	145,255	7,594	706	484	7,441	663	215	45	3767

E-Arab Bank loan

On 5th January 2016, JPMC signed a loan agreement with the Arab Bank in the amount of US$50 million for a period of fifteen years including two years grace period at an interest rate of six months (LIBOR + 2,75 %) for the first seven years and from the year 8th to the end life of the loan the interst become (LIBOR + 2,8 %) The purpose of the loan agreement is to finance its shares in JIPC.

F - Risks

The Fluctuation of raw material prices such as Ammonia, Sulphur and Aluminium hydroxide during 2015, continue to impact the company, resulting in an increase in operational costs.

G- Regulatory Affirmation:

No operations of any non-repetitive manner with material affect occurred within the main activity of the company during the fiscal year 2015.

H- Corporate Governance Guide:

The Company was compliance with all the articles of Corporate Governance Guide except of below:

Artical No.	Explain
Article No. (7, 14, 17) part'2' section "1": "Board of Directors Duties and Responsibilities".	Has not been completed to date

I- Declaration of the Board of Directors:

I/1- The Board of Directors hereby declares its responsibility for the preparation of the financial statements as an effective monitoring system in the Company.

I/2- The Board of Directors of Jordan Phosphate Mines Company Co. PLC. Herby declares that according to the best of their information and Knowledge there are no material matters that may affect the continuity of the Company's during 2016.

Eng. / Amer Al-Majali

Chairman of the Board

H.E. / Abdel Karim Malahmeh

Deputy Chairman of the Board

H.E. Dr. Eng. / Munther Haddadin

H.E.Eng. Muzahim Muhaisin

Mr. Junaidi Masri

Eng. / Mohammad Al-Munaifi

Mr. / Haethum Buttikhi

Mr. Khaled Quran

Eng. / Faisal Doudin

The Chairman of the Board Declares along withd Chief Executive Officer and CEO Assistant for Finance that all the information and data in the annual report 2015 are correct, accurate and complete.

Mr. / Rafat Ghabayen

CEO Assistant for Finance

Dr. / Shafik Ashkar

Chief Executive Officer

Eng. / Amer Al-Majali

Chairman of the Board


شركة
وسفات الأردنية المساهمة العامة المحدودة
JORDAN PHOSPHATE MINES


مناجم
PLC

Independent Auditors’ Report

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Building a better working world

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
JORDAN PHOSPHATE MINES COMPANY – PUBLIC SHAREHOLDING COMPANY
AMMAN – JORDAN**

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **JORDAN PHOSPHATE MINES COMPANY (PUBLIC SHAREHOLDING COMPANY)** (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as of 31 December 2015 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Regulatory Requirements

The Group maintains proper books of accounts and the accompanying consolidated financial statements and financial information contained in the Board of Director's report are in agreement therewith.

Amman – Jordan
19 March 2016

Ernst & Young

JORDAN PHOSPHATE MINES COMPANY P.L.C
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2015
(In Thousands of Jordanian Dinars)

ASSETS	Notes	2015	2014
Non-current assets			
Property, plant and equipment	3	158,552	160,758
Projects in progress	4	134,074	137,347
Investments in associates and joint ventures	5	236,042	234,562
Intangible assets	6	173,378	180,787
Deferred tax assets	23	7,090	10,811
Employees' housing loans	7	6,378	6,199
Financial assets at fair value through other comprehensive income	8	527	543
Loans receivable	9	6,576	6,576
Production and development stripping cost	10	28,664	33,360
Advance payments on investments		10,000	-
		761,281	770,943
Current assets			
Inventories, spare parts and supplies	11	210,284	249,896
Accounts receivable	12	120,536	110,203
Other current assets	13	20,449	18,428
Loans receivable	9	19,562	29,312
Financial assets at fair value through profit and loss		159	211
Short term investment	14	-	4,612
Cash on hand and at banks	14	41,912	27,861
		412,902	440,523
TOTAL ASSETS		1,174,183	1,211,466
EQUITY AND LIABILITIES			
Equity			
Paid-in capital	15	75,000	75,000
Statutory reserve	15	75,000	75,000
Voluntary reserve	15	75,000	75,000
Special reserve	15	75,000	75,000
Fair value reserve		(152)	(136)
Retained earnings		507,397	473,765
Equity attributable to Company's shareholders		807,245	773,629
Non – controlling interests	40	10,973	10,323
Total Equity		818,218	783,952
Non-current liabilities			
Long-term loans	16	59,414	39,871
Compensation and end-of-service indemnity provision	17	15,156	36,275
Assets deferral provision	6	11,775	11,259
Early retirement obligations	18	-	1,382
		86,345	88,787
Current liabilities			
Accounts payable	19	79,028	91,259
Accrued expenses	20	57,807	62,507
Other current liabilities	21	17,398	29,556
Due to banks	22	70,417	97,722
Employees incentives and retirees grants provision	34	597	24,895
Short term early retirement obligations	18	137	-
Current portion of long-term loans	16	40,637	32,354
Income tax provision	23	3,599	434
		269,620	338,727
Total Liabilities		355,965	427,514
TOTAL EQUITY AND LIABILITIES		1,174,183	1,211,466

The attached notes 1 to 44 form an integral part of these consolidated financial statements

JORDAN PHOSPHATE MINES COMPANY P.L.C
CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2015
(In Thousands of Jordanian Dinars)

	Notes	2015	2014
Net Sales		750,174	738,429
Cost of sales	24	(564,671)	(562,843)
Gross profit		185,503	175,586
Selling and marketing expenses	25	(9,445)	(9,116)
New phosphate port terminal expenses	37	(11,793)	(11,408)
Aqaba port fees		(4,265)	(4,869)
Transportation expenses		(51,830)	(52,544)
Administrative expenses	26	(28,999)	(24,002)
Russiefah Mine expenses	27	(2,537)	(2,984)
Mining fees	28	(22,809)	(19,612)
Provision for slow-moving spare parts	11	(1,001)	(1,630)
Other provisions	34	(1,459)	(4,651)
Pension expense	18	(90)	(133)
Other income, net	29	10,442	5,452
Foreign currency exchange differences		233	89
Operating profit		61,950	50,178
Finance costs	30	(11,552)	(9,190)
Finance income	31	2,474	1,552
Group share of (loss) profit of associates and joint ventures	5	(274)	4,172
Board of Directors remuneration		(103)	(70)
Loss from revaluation of financial assets at fair value through profit and loss		(51)	(19)
Goodwill impairment loss	6	(1,050)	-
Investment in associates impairment loss	5	(3,000)	-
Profit before employees' incentives provision and income tax		48,394	46,623
Employees' incentives provision	34	-	(26,000)
Profit before income tax		48,394	20,623
Income tax (expense) benefit	23	(13,748)	312
Profit for the year		34,646	20,935
Attributable to:			
Equity holders		33,764	19,775
Non – controlling interests	40	882	1,160
Profit for the year		34,646	20,935
		JD/Fils	JD/Fils
Basic and diluted earnings per share attributable to the Equity holders	32	0/450	0/264

The attached notes 1 to 44 form an integral part of these consolidated financial statements

JORDAN PHOSPHATE MINES COMPANY P.L.C
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015
(In Thousands of Jordanian Dinars)

	Notes	2015	2014
Profit for the year		34,646	20,935
Add: Other comprehensive income 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	8	(16)	(107)
Actuarial (loss) gain	18	(132)	843
Total comprehensive income for the year		34,498	21,671
Total comprehensive income attributable to:			
Equity holders		33,616	20,511
Non – controlling interests		882	1,160
Total comprehensive income for the year		34,498	21,671

JORDAN PHOSPHATE MINES COMPANY P.L.C
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015
(In Thousands of Jordanian Dinars)

	Paid-in capital	Reserves			Fair value reserve	Retained earnings		Non - controlling interest	Total
		Statutory	Voluntary	Special		Unrealized*	Realized**		
For the year ended 31 December 2015									
Balance at 1 January 2015	75,000	75,000	75,000	75,000	(136)	26,179	447,586	10,323	783,952
Total comprehensive income for the year	-	-	-	-	(16)	-	33,632	882	34,498
Dividends paid by a subsidiary	-	-	-	-	-	-	-	(232)	(232)
Balance at 31 December 2015	75,000	75,000	75,000	75,000	(152)	26,179	481,218	10,973	818,218
For the year ended 31 December 2014									
Balance at 1 January 2014	75,000	75,000	75,000	75,000	(29)	26,179	426,968	9,163	762,281
Total comprehensive income for the year	-	-	-	-	(107)	-	20,618	1,160	21,671
Balance at 31 December 2014	75,000	75,000	75,000	75,000	(136)	26,179	447,586	10,323	783,952

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

** Included in retained earnings an amount of JD 7,090 thousands which represents deferred tax assets as of 31 December 2015 (31 December 2014: JD 10,811 thousand). An amount of JD 152 thousands 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 December 2015 (31 December 2014: JD 136 thousands).

The attached notes 1 to 44 form an integral part of these consolidated financial statements

JORDAN PHOSPHATE MINES COMPANY P.L.C
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2015
(In Thousands of Jordanian Dinars)

	Notes	2015	2014
OPERATING ACTIVITIES		48,394	20,623
Profit for the year before income tax			
Adjustments for:			
Depreciation	3	22,295	21,990
Amortization of new phosphate port terminal	6	6,359	6,359
Goodwill impairment loss		1,050	-
Investment in associates impairment loss	5	3,000	-
Amortization of production stripping costs	10	11,983	11,741
Employees compensation fund and end-of-service indemnity	17 , 21	12,500	32,137
Finance cost		9,378	8,410
Finance income		(2,474)	(1,552)
Mining fees		24,914	21,994
Group’s share of loss (profit) of associates and joint ventures		274	(4,172)
Provision for slow-moving spare parts		1,001	-
Other non-cash items		1,457	1,961
Working capital changes:			
Accounts receivable		(10,333)	(68,998)
Employees' housing loans		(1,544)	(1,958)
Other current assets		(2,021)	23,954
Inventories, spare parts and supplies		38,611	21,298
Production stripping cost		(7,287)	(27,557)
Accounts payable		(12,231)	19,643
Accrued expenses		(9,083)	17,479
Other current liabilities		(13,909)	11,497
Employees’ compensation and end-of-service indemnity and death fund paid		(55,395)	(22,849)
Mining fees paid		(21,000)	(18,000)
Early retirement obligations paid		(417)	(802)
Income tax paid	23	(6,862)	(2,257)
Net cash flows from operating activities		38,660	70,941
INVESTING ACTIVITIES			
Property, plant and equipment and payments on projects in progress – net		(16,816)	(41,661)
Loans receivable		9,750	(17,432)
Investment in associates and joint ventures		(15,708)	(7,925)
Short term investment		4,612	(3,558)
Interest received		2,474	1,552
Net cash flows used in investing activities		(15,688)	(69,024)
FINANCING ACTIVITIES			
Proceeds from loans		54,275	14,160
Repayments of loans		(26,449)	(17,901)
Dividends of subsidiaries		(251)	(40)
Interest paid		(9,191)	(8,384)
Net cash flows from (used in) financing activities		18,384	(12,165)
Net increase (decrease) in cash and cash equivalents		41,356	(10,248)
Cash and cash equivalents at 1 January		(69,861)	(59,613)
Cash and cash equivalents at 31 December	14	(28,505)	(69,861)

The attached notes 1 to 44 form an integral part of these consolidated financial statements

(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. All other business activities of the Company are located in Jordan. 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-Abiad, Al-Hasa, Shidiya and to a lesser extent from Al-Russiefah Mine. In respect of the mining rights granted to the Company, it is subject to annual mining rights fees of JD 500 / squared Kilo meter or any part of squared Kilo meter per mined area payable to the Natural Resources Authorities. The Company produces chemical fertilizers and related by-products through its subsidiaries (Note 2-2).

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

The consolidated financial statements were authorized for issue by the Board of Directors in their meeting held on 19 March 2016 and they are subject to the approval of the Company's General Assembly.

(2-1) BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis, except for the financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income which have been measured at fair value as of the date of the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

The consolidated financial statements are presented in Jordanian Dinars and all values are rounded to the nearest thousand except when otherwise indicated.

(2-2) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Jordan Phosphate Mines Company "JPMC" and the following subsidiaries:

Company name	*Nature of activity*	*Ownership*	*Country*
Indo-Jordan Chemicals Company Limited	Phosphoric Acid and other chemicals production	100%	Jordan
Ro'ya for Transportation Company Limited	Transportation services	100%	Jordan
Nippon Jordan Fertilizers Company Limited	Fertilizers and chemicals production	70%	Jordan

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:

(2-2) BASIS OF CONSOLIDATION (CONTINUED)

– 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

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, The Jordanian Ministry of Finance and Jordanian Social Security Corporation own 37%, 26% and 16% of the Company's issued shares, respectively.

(2-3) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies used in the preparation of the consolidated financial statements for the year ended 31 December 2015 are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2014.

(2-4)STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below.

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, and early adoption is permitted.

(2-4)STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

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”. The Group has 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. The new version of IFRS 9 will be implemented at the mandatory date on 1 January 2018, which will have an impact on the recognition and measurement of financial assets.

Equity Method in Separate Financial Statements (Amendments to IAS 27 and IFRS 1)

In August 2014, the IASB amended IAS 27 Separate Financial Statements which restore the option for entities, in the separate financial statements, to account for investments in subsidiaries, associates and joint ventures using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

The amendments are effective for annual periods beginning on or after 1 January 2016, must be applied retrospectively and earlier adoption is permitted.

IAS 1 Presentation of Financial Statements – Amendments to IAS 1

The amendments to IAS 1 include narrow-focus improvements related to:

• Materiality

• Disaggregation and subtotals

• Notes structure

• Disclosure of accounting policies

• Presentation of items of other comprehensive income (OCI) arising from equity accounted investments

These amendments are not expected to impact the Group’s financial position or performance. The application of the amendments are not expected to have a significant impact on the Group’s disclosures.

The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

Investment entities (Amendments to IFRS 10 and IAS 28)

The amendments address the issues arising in practice in the application of the investment entities consolidation exception and clarify that:

• The exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

• Subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

• Application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity: The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

(2-4) STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group's financial statements.

IFRS 16 Leases

During January 2016, the IASB issued IFRS 16 "Leases" which sets out the principles for the recognition, measurement, presentation and disclosure of leases.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or 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 lease liability representing its obligation to make lease payments.

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

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not re-measured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.

(2-5) USE OF ESTIMATES

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

(2-5) USE OF ESTIMATES (CONTINUED)

Useful life of properties, plant and equipment

The Group's management estimates the useful life for property, plant and equipment for the purpose of calculating depreciation by depending on the expected useful life of these assets. Management reviews the remaining book value and useful life annually. Future depreciation expense is adjusted if management believes that the remaining useful life of the assets differs from previous estimations.

Impairment of goodwill

The Group's management performs an annual impairment test for the goodwill resulted from the purchase of the fertilizers unit at the date of the consolidated financial statements. Goodwill is impaired if there are indications of impairment, i.e. if the estimated recoverable amount for the fertilizers unit is less than the book value. Impairment is recorded in the consolidated statement of income.

The fair value of recoverable amounts for the fertilizers unit is valued using the discounted value of future cash flows. All assumptions used in the goodwill impairment calculation are indicated in (Note 6).

Provision for slow moving spare parts

The Group's management performs an annual study which categorizes all spare parts by age groups. Based on the results of the study, a provision is taken against spare parts which have surpassed, at the date of the Group's financial statements, a certain age from the date of purchase.

Stripping Cost in the Production Phase of Surface Mine

The Group incurs waste removal costs (stripping costs) during the development and production phases of its surface mining operations. During the production phase, stripping costs (production stripping costs) can be incurred both in relation to the production of phosphate in that period or the creation of improved access and mining flexibility in relation to phosphate to be mined in the future.

Production stripping costs are included as part of the costs of inventory, while the stripping costs incurred in the creation of improved access and mining flexibility in relation to phosphate to be mined in future periods are capitalised as a stripping activity non-current asset that is amortized using units of production method.

Significant judgment is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of phosphate and what relates to the creation of a stripping activity asset. The Group's management calculates the stripped quantities of overburden for any of the locations based on geological and specialized technical studies conducted on a quarterly basis. Stripping costs are capitalized as a stripping activity asset when the actual stripping ratio is higher than the contracted stripping ratio estimated by geologists and specialised professionals.

The capitalised stripping costs are amortized using the units of production method estimated based on the updated geological studies for the period for each location when the actual stripping ratio is lower than or equal to the contracted stripping ratio.

Provision for doubtful debts

The Group's management reviews the credit limit granted to its customers periodically. When customers do not abide to their obligations to pay, and after the additional grace period granted, and after taking appropriate legal action, a provision is booked against the receivable balance until collected or it will be written off.

Income tax provision

The Group calculates tax expense for the year based on reasonable estimates, for possible consequences of audit by the Income and Sales tax department. The amount of tax provision is based on various factors, such as experience of previous tax audits. Additionally, the Group engages an independent tax specialist to review the tax provision calculations.

Deferred tax assets are recognized for all deductible temporary differences such as unused tax expenses and losses to the extent that it is probable that taxable profit will be available against which the loses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. Details of income tax provision and deferred tax are disclosed in (Note 23).

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(2-5) USE OF ESTIMATES (CONTINUED)

Indemnity and end-of-service provisions

Indemnity and end-of-service costs are measured using the Projected Unit Credit Method that is calculated by an actuary. All actuarial assumptions are disclosed in (Note 17).

Early retirement obligations

Early retirement obligations are calculated through an actuarial study. Employee benefits are awarded based on the number of years of service. The associated obligations are determined based on the present value of the overall obligation at the date of the financial statements less the unrealized previous service cost. The Group's obligations arising from the early retirement plan are measured using the Projected Unit Credit Method. All associated assumptions are disclosed in (Note 18).

(2-6) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost and accumulated depreciation for a sold or disposed of asset is derecognized and the gain or loss associated is booked in the consolidated statement of income.

Depreciation is calculated on a straight-line basis using the following depreciation rates, (land is not depreciated):

Type of property, plant and equipment	Depreciation rate %
Buildings	2-8
Roads and yards	25
Machinery and equipment	5-20
Water and electricity networks	5
Furniture and office equipment	9
Medical and lab equipment	10
Communication equipment	12
Computers	12
Vehicles	15
Spare parts reserves	10
Software and programs	20

(2-6) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is recorded in the consolidated statement of income.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Projects in progress

Projects in progress are stated at cost, and include the cost of construction, equipment and other direct costs and it is not depreciated until it is available for use.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's consolidated statement of other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the consolidated statement of income.

(2-6) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (CONTINUED)

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of income.

Intangible assets

- New phosphate port terminal

This item represents the license to use and operate the new phosphate port terminal for a period of 26 years, after that the port will be handed over to Aqaba Development Corporation.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets are amortized over the period in which they are expected to be available for use by the Group and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense on intangible assets is recognized in the consolidated statement of income starting on the opening date of the new phosphate port terminal until 28 February 2040.

- Asset deferral cost

The Company recognises and measures asset deferral provision for movable assets as a consequence of the use of the new phosphate port terminal during the operating period in accordance with IAS 37, using the best estimate of the expenditures required to settle the present obligation at the consolidated statement of financial position date.

- Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to other comprehensive income . If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

(2-6) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Goodwill (CONTINUED)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Financial assets at fair value through other comprehensive income

These are financial assets limited to equity instruments and the management intends to retain those assets in the long term. These financial assets are initially recognized at fair value plus attributable transaction costs and subsequently measured at fair value. The change in fair value of those assets is presented in the consolidated statement of comprehensive income within owners' equity, including the change in fair value resulting from the foreign exchange differencs of non-monetary assets.

In case those assets - or part of them - were sold, the resultant gain or loss is recorded in the consolidated comprehensive income statement within owners' equity and the fair value reserve for the sold assets is directly transferred to the retained profit or loss and not through the consolidated statement of income.

- Those financial assets are not subject to impairment testing.
- Dividends income is recorded in the consolidated income statement.
- It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the IFRS 9.

Loans receivable

After initial measurement, loans receivable are subsequently measured at amortised cost using the effective interest rate method, less any impairment.

Production stripping costs

Costs paid for the removal of overburden in the stripping or the production stages are capitalised as non-current assets at cost and is amortized using the units of production method at each location when the following conditions are met:

– It is probable that the future economic benefit improved access to the phosphate associated with the stripping activity will flow to the entity.

– The entity can identify the amount and type of phosphate for which has been improved; and

– The cost relating to the striping activity associated with the component can be measured reliably.

Inventories and spare parts

Inventories are valued at the lower of cost or net realizable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows

Raw materials	- Purchase cost using the weighted average cost method.
Finished goods and work in process	- Cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs, using the weighted average cost method.
Spare parts and supplies	- Cost using the weighted average cost method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(2-6) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable

Accounts receivable are stated at original invoice amount or the value of shipped goods less any provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount or part of it is no longer probable and bad debts are written off when there is no possibility of recovery

Financial assets at fair value through profit and loss

Financial assets which are purchased with the aim of resale in the near future in order to generate profit from the short-term market prices fluctuation or the trading profit margins.

Financial instruments at fair value through profit or loss are initially measured at fair value, transaction costs are recorded in the income statement at the date of transaction. Subsequently, these assets are revalued at fair value. Gains or losses arising on subsequent measurement of these financial assets including the change in fair value arising from non-monetary assets in foreign currencies are recognized in the income statement. When these assets or portion of these assets are sold, the gain or loss arising is recorded in the consolidated statement of income.

Dividend and interest income are recorded in the consolidated statement of income.

It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the International Financial Reporting Standards.

Cash and cash equivalents

Cash and cash equivalent in the consolidated statement of financial position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less. If original maturity of deposits exceeds three months, they are classified as short–term investments. For the purpose of the consolidated statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Long term loans

All term loans are initially recognized at net consideration received and interest is recognized using the effective interest rate method.

Interest on long term loans is recorded during the year when earned. Interest on long term loans for the purpose of financing projects in progress, is capitalized as a part of the project cost.

Employees' benefits

1. End-of-service indemnity

The liability is valued by professionally qualified independent actuaries. The obligation and costs of pension benefits are determined using a Projected Unit Credit Method. The Projected Unit Credit Method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Past service costs are recognized on a straight-line basis over the average period until the amended benefits become vested. Gains or losses on the curtailment or settlement of pension benefits are recognized when the curtailment or settlement occurs. Actuarial gains or losses are recognized as other comprehensive income item when it occurs. Gain or loss is realized from amendment or payment of the benefits when it occurs. The pension obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bonds.

2. Death and Compensation Fund

Death and Compensation Fund represents a defined contribution plan; the Company calculated its contribution of 25% of gross monthly salaries subject to social security and transfers this contribution to the Fund's bank account. The Fund is independent from the Company (financially and administratively), accordingly, the Company is not legally obligated in case the Fund was not able to pay its obligations. The contribution is recognized as an expense in the consolidated statement of income.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

(2-6) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

Revenue recognition

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of goods have passed to the buyer, usually when goods are shipped and invoices are issued.

Interest income revenue is recognized as interest accrues using the effective interest rate method.

Dividends are recognized when the shareholder's right to receive payment is established.

Other revenues are recognized on an accrual basis.

Mining Fees

Mining fees paid in respect of phosphate rock used by the Fertilizers Unit are charged to cost of sales. Other mining fees on exported and locally sold phosphate are shown as a separate item in the consolidated statement of income.

Operating Lease

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments made under an operating lease are recognized as an expense over the lease term on a straight-line basis, in the consolidated statement of income.

Income tax

Income tax expense represents current year income tax and deferred income tax.

Accrued tax expenses are calculated based on taxable income, which may be different from accounting income as it may include tax-exempt income, nondeductible expenses in the current year that are deductible in subsequent years, tax-accepted accumulated losses or tax-deductible items.

Current income tax is calculated based on the tax rates and laws that are applicable at the consolidated statement of financial position date and according to IAS 12.

Deferred income taxation is provided using the liability method on all temporary differences at the consolidated financial statement date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on laws that have been enacted at the financial position date. The carrying values of deferred income tax assets are reviewed at each consolidated statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

(2-6) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

The Company assesses at each financial position date whether there is any objective evidence that a financial asset or a group of financial assets are impaired. A financial asset or a group of financial assets are considered impaired when there is objective evidence of impairment as a result of one or more events (loss event) that occur after the asset's initial measurement, that will have a direct and reasonably estimated impact on its future cash flows. Permanent impairment indicators could comprise of indications that the borrower or a group of borrowers are facing significant financial difficulties, or neglect, or default in making interest or principal payments, and are likely to be subject to bankruptcy or financial restructuring. Furthermore, permanent impairment indicators exist when observable data indicates the existence of a measurable decrease in estimated cash flows such as changes in the Group's economic conditions due to negligence.

The Group's management does not believe there were any indications of impairments of its financial assets during 2015 and 2014.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the consolidated statement of financial position date, based on the rates declared by the Central Bank of Jordan.

Fair value

The Group evaluates its financial instruments such as financial assets at fair value through other comprehensive income at the date of the financial statements. Also, the fair value of financial instruments is disclosed in (Note 41).

Fair value represents the price received in exchange for financial assets sold, or price paid to settle a sale between market participants at the date of financial statements.

The fair value is measured based on the assumption that the sale or purchase transaction of financial assets is facilitated through an active market for financial assets and liabilities respectively. In case there is no active market, a market best fit for financial assets and liabilities is used instead. The Group needs to acquire opportunities to access the active market or the best fit market.

The Group measures the fair value of financial assets and liabilities using the pricing assumptions used by market participants to price financial assets and liabilities, assuming that market participants behave according to their economic interests.

The fair value measurement of non-financial assets considers the ability of market participants to utilize the assets efficiently in order to generate economic benefits, or to sell them to other participants who will utilize them in the best way possible.

The Group uses valuation techniques that are appropriate and commensurate with the circumstances, and provides sufficient information for fair value measurement. Also, it illustrates clearly the use of inputs that are directly observable, and minimizes the use of inputs that are not directly observed.

The Group uses the following valuation methods and alternatives in measuring and recording the fair value of financial instruments.

All assets and liabilities for which fair value is measured or disclosed in the financial statements or have been written off are categories within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

– Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
– Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
– Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(2-6) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value (continued)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have accrued between levels in the hierarchy by reassessing categorization (based on the lowest level input that significant to the fair value measurement as a whole) at the end of each reporting period.

For the disclosure of fair value, the Group classifies assets and liabilities based on their nature, their risk, and the level of fair value measurement.

Segment reporting

For the purpose of reporting to management and the decision makers in the Group, a business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

Offsetting

Offsetting between financial assets and financial liabilities and presenting the net amount on the consolidated statement of financial position is performed only when there are legally-enforceable rights to offset, the settlement is on a net basis, or the realization of the assets and satisfaction of the liabilities is simultaneous.

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(3) PROPERTY, PLANT AND EQUIPMENT

2015	Land	Buildings	Roads & Yards	Machinery & equipment	Water & electricity network	Office equipment	Medical equipment	Communication equipment	Computers	Vehicles	Spare parts reserves	Software and programs	Total
Cost:													
At 1 January 2015	1,299	128,776	12,612	413,942	36,157	5,864	944	1,303	3,583	12,542	35,310	1,913	654,245
Additions	-	183	-	1,875	-	279	68	15	95	961	4,552	-	8,028
Transfers from projects in progress (Note 4)	-	889	6,190	3,829	911	111	-	-	-	195	-	-	12,125
Disposals	-	-	-	(7)	-	(2)	(2)	(4)	(14)	(181)	(37)	-	(247)
At 31 December 2015	1,299	129,848	18,802	419,639	37,068	6,252	1,010	1,314	3,664	13,517	39,825	1,913	674,151
Accumulated Depreciation:													
At 1 January 2015	-	68,971	9,411	344,519	31,144	3,277	802	1,254	3,118	9,527	19,552	1,912	493,487
Depreciation for the year	-	4,690	1,360	11,373	1,270	332	23	18	183	964	2,082	-	22,295
Related to disposals	-	-	-	(5)	-	(12)	-	(1)	(1)	(164)	-	-	(183)
At 31 December 2015	-	73,661	10,771	355,887	32,414	3,597	825	1,271	3,300	10,327	21,634	1,912	515,599
Net book value													
At 31 December 2015	1,299	56,187	8,031	63,752	4,654	2,655	185	43	364	3,190	18,191	1	158,552

The estimated value of fully depreciated property, plant and equipment is JD 414,561,994 at 31 December 2015.

2014	Land	Buildings	Roads & Yards	Machinery & equipment	Water & electricity network	Office equipment	Medical equipment	Communication equipment	Computers	Vehicles	Spare parts reserves	Software and programs	Total
Cost:													
At 1 January 2014	1,299	127,040	12,608	408,842	35,679	5,411	932	1,330	3,585	12,204	32,618	1,913	643,461
Additions	-	32	-	2,222	-	334	24	15	65	673	4,501	-	7,866
Transfers from projects in progress	-	1,704	4	3,259	478	178	-	-	-	-	-	-	5,623
Disposals	-	-	-	(381)	-	(59)	(12)	(42)	(67)	(335)	(1,809)	-	(2,705)
At 31 December 2014	1,299	128,776	12,612	413,942	36,157	5,864	944	1,303	3,583	12,542	35,310	1,913	654,245
Accumulated Depreciation:													
At 1 January 2014	-	63,778	8,479	333,984	29,881	3,013	795	1,278	2,951	8,926	17,470	1,912	472,467
Depreciation for the year	-	5,193	932	10,912	1,263	308	19	18	202	936	2,207	-	21,990
Related to disposals	-	-	-	(377)	-	(44)	(12)	(42)	(35)	(335)	(125)	-	(970)
At 31 December 2014	-	68,971	9,411	344,519	31,144	3,277	802	1,254	3,118	9,527	19,552	1,912	493,487
Net book value													
At 31 December 2014	1,299	59,805	3,201	69,423	5,013	2,587	142	49	465	3,015	15,758	1	160,758

The estimated value of fully depreciated property, plant and equipment is JD 411,216,587 at 31 December 2014.

(In Thousands of Jordanian Dinars)

(3) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation in the consolidated statement of income is as follows:

	2015	2014
Cost of sales	21,472	21,163
Administrative expenses	587	596
Selling and marketing expenses	40	44
Russiefah mine expenses	27	25
Other	169	162
	22,295	21,990

(4) PROJECTS IN PROGRESS

Movement on the projects in progress is as follows:

	Balance at 1 January 2015	Additions	Transferred to property & equipment	Transferred to others	Balance at 31 December 2015
Aqaba Industrial Complex Projects	80,051	149	-	-	80,200
Shidiya Mine Projects	46,574	5,315	(7,027)	-	44,862
Indo-Jordan's Projects	4,093	3,224	(5,080)	-	2,237
Head Office, Hasa & Abiad mines	6,611	150	-	-	6,761
Nippon's Projects	18	14	(18)	-	14
	137,347	8,852	(12,125)	-	134,074

The estimated cost to complete the projects in progress as of 31 December 2015 is approximately JD 14,735,359 for JPMC related projects and JD 3,269,891 for Indo-Jordan related projects and JD 100,000 for Nippon related projects.

(5) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES
INVESTMENTS IN ASSOCIATES:

The below schedules summarizes financial information for the Group's investment in associates:

	Country of incorporation	Nature of activity	Ownership %	2015	2014
Manajim for Mining Development Company "Manajim"	Jordan	Mining services	46	38,662	33,449
Jordan Abyad Fertilizer Company "JAFCCO"	Jordan	Fertilizers production	27.38	9,262	15,231
Jordan India Fertilizer Company "JIFCO"	Jordan	Phosphoric acid production	48	136,053	142,698
Arkan Company for Construction "Arkan"	Jordan	Mining contracting	46	19,680	16,243
				203,657	207,621

Movements on the investment in associates were as follows:

	2015	2014
At 1 January	207,621	199,295
Share of (loss) profit of associates	(720)	7,901
(Impairment) increase in investment in JAFCCO	(3,000)	425
Elimination of Group's share of JIFCO income related to		
transactions between the Group and associate	(189)	
Elimination of Group's share of JAFCCO's income related to		-
transactions between the Group and associate	(55)	-
At 31 December	203,657	207,621

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(5) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Group's share of the profits of associates:

	2015	2014
Group's share of (loss) income for the year	(720)	7,901
Elimination of Group's share of associate's income related to transactions between the Group and associate	441	(1,677)
	(279)	6,224

The below schedules summarizes financial information for the Group's investment in associates:

	2015				
	Manajim for Mining Development	Jordan Abyad Fertilizers & Chemicals Co.	Jordan India Fertilizers Company	Arkan Company for Construction	Total
Group's share in net equity:					
Current assets	68,829	3,005	42,182	30,719	144,735
Non-current assets	34,031	101,268	564,730	15,747	715,776
Current liabilities	(26,552)	(35,217)	(80,368)	(3,618)	(145,755)
Non-current liabilities	(351)	(34,114)	(242,707)	-	(277,172)
Partners current account	-	(29,549)	-	-	(29,549)
Net equity	75,957	5,393	283,837	42,848	408,035
Percentage of ownership	46%	27.38%	48%	46%	
Group's share in net equity	34,940	1,477	136,242	19,710	192,369
Elimination of Group's share of associates related to transactions between the group and associates	-	(55)	(189)	-	(244)
Adjustments due to change in ownership percentage	(4,078)	(548)	-	14	(4,612)
Group's net share in partner's current account	-	3,825	-	-	3,825
Imbedded goodwill	7,800	4,563	-	(44)	12,319
Net investment as at 31 December	38,662	9,262	136,053	19,680	203,657
Group's share from associates revenues and profits:					
Revenues	82,224	16,721	183,518	53,240	335,703
Cost of sales	(67,530)	(21,074)	(141,609)	(43,397)	(273,610)
Administrative, selling and distribution expenses	(640)	(1,996)	(55,174)	(505)	(58,315)
Interest income	148	-	-	-	148
Finance expenses	(38)	(4,016)	-	-	(4,054)
Profit (loss) for the year before income tax	14,164	(10,365)	(13,265)	9,338	(128)
Income tax expense	(2,830)	-	-	(1,867)	(4,697)
Profit (loss) for the year	11,334	(10,365)	(13,265)	7,471	(4,825)
Percentage of ownership	46%	27.38%	48%	46%	
Group's share from current year income	5,214	(2,838)	(6,367)	3,437	(554)
Group's share from prior years income*	-	(77)	(89)	-	(166)
Elimination of Group's share of associate's income related to transactions between the Group and associates	-	-	-	441	441
Group's share of associates' profit (loss)	5,214	(2,915)	(6,456)	3,878	(279)

(In Thousands of Jordanian Dinars)

(5) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

	2014				
	Manajim for Mining Development	Jordan Abyad Fertilizers & Chemicals Co.	Jordan India Fertilizers Company	Arkan Company for Construction	Total
Group's share in net equity:					
Current assets	62,023	3,820	42,615	25,024	133,482
Non-current assets	38,698	101,878	579,332	14,154	734,062
Current liabilities	(36,097)	(24,885)	(70,751)	(3,802)	(135,535)
Non-current liabilities	-	(34,757)	(253,907)	-	(288,664)
Partners current account	-	(30,016)	-	-	(30,016)
Net equity	64,624	16,040	297,289	35,376	413,329
Percentage of ownership	46%	27,38%	48%	46%	
Group's share in net equity	29,727	4,392	142,698	16,273	193,090
Adjustments due to change in ownership percentage	(4,078)	(548)	-	14	(4,612)
Group's net share in partner's current account	-	3,824	-	-	3,824
Imbedded goodwill	7,800	7,563	-	(44)	15,319
Net investment as at 31 December	33,449	15,231	142,698	16,243	207,621
Group's share from associates revenues and profits:					
Revenues	106,901	22,985	16,879	47,360	194,125
Cost of sales	(89,926)	(25,742)	(10,732)	(34,487)	(160,887)
Administrative, selling and distribution expenses	(497)	(1,995)	(7,911)	(2,819)	(13,222)
Interest income	132	-	-	-	132
Finance expenses	-	(4,178)	-	-	(4,178)
Other (expenses) revenues, net	(9)	(501)	-	2	(508)
Profit (loss) for the year before income tax	16,601	(9,431)	(1,764)	10,056	15,462
Income tax expense	(1,609)	-	-	(663)	(2,272)
Profit (loss) for the year	14,992	(9,431)	(1,764)	9,393	13,190
Percentage of ownership	46%	27.38%	48%	46%	
Group's share from current year income	6,896	(2,474)	(847)	4,321	7,896
Group's share from prior years income*	-	5	-	-	5
Elimination of Group's share of associate's income related to transactions between the Group and associates	-	-	-	(1,677)	(1,677)
Group's share of associates' profit (loss)	6,896	(2,469)	(847)	2,644	6,224

* Prior year adjustments represent differences between draft financial statements and final audited financial statements of Jordan Abyad Fertilizers and Chemicals Company.

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(5) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

JOINT VENTURES:

The below schedule presents the Group's investment in joint ventures noting that Jordan Industrial Ports Co. and PT Kaltim Jordan Abadi Co. have not yet commenced operations:

	Country of incorporation	Nature of activity	Ownership %	2015	2014
Indonesian project – Petro Jordan Abadi Company	Indonesia	Phosphoric Acid production	50	19,222	19,228
Jordan Industrial Ports Company	Jordan	Shipping services	50	12,455	7,713
PT Kaltim Jordan Abadi Company	Indonesia	Phosphoric Acid production	40	708	-
				32,385	26,941

The movement on the investment in joint ventures is as follows:

	2015	2014
At 1 January	26,941	22,244
Group's share of profit (loss) for the year	5	(2,052)
Investment in PT Kaltim Jordan Abadi	708	-
Increase in investment in Industrial Ports Company**	5,000	7,500
Elimination of Group's share of associate's income related to		
transactions between the Group and joint venture	(269)	(751)
At 31 December	32,385	26,941

(In Thousands of Jordanian Dinars)

(5) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The below schedules summarizes financial information for the Group's major joint ventures:

	2015			
	Indonesian project Petro Jordan Abadi Company	Jordan Industrial Ports Company	Indonesian Project PT Kaltim Jordan Abadi	Total
Current assets	29,864	35,080	1,416	66,360
Non-current assets	148,659	23,845	-	172,504
Current liabilities	(55,887)	(22,015)	-	(77,902)
Non-current liabilities	(82,153)	-	-	(82,153)
Net equity	40,483	36,910	1,416	78,809
Percentage of ownership	50%	50%	40%	
Group's share in net equity	20,242	18,455	708	39,405
Group's share from partner's current account	-	(6,000)	-	(6,000)
Elimination of group's share of associate's income related to transactions between the Group and joint ventures	(1,020)	-	-	(1,020)
Group's share in net equity	19,222	12,455	708	32,385

	2015			
	Indonesian project Petro Jordan Abadi Company	Jordan Industrial Ports Company	Indonesian Project PT Kaltim Jordan Abadi	Total
Revenues	24,471	-	-	24,471
Cost of sales	(21,131)	-	-	(21,131)
Administration and selling and distribution expenses****	(1,322)	(403)	-	(1,725)
Interest revenue	7	-	-	7
Finance cost	(1,996)	-	-	(1,996)
Other revenues, net	496	-	-	496
(Profit) loss for the year	525	(403)	-	122
	50%	50%	-	
Group's share of the year income	263	(202)	-	61
Group's share of prior year income***	-	(56)	-	(56)
Group's share of profit (loss) from joint ventures	263	(258)	-	5

	2014		
	Indonesian project Petro Jordan Abadi Company	Jordan Industrial Ports Company	Total
Current assets	19,533	14,900	34,433
Non-current assets	141,983	802	142,785
Current liabilities	(32,327)	(389)	(32,716)
Non-current liabilities	(89,232)	-	(89,232)
Net equity	39,957	15,313	55,270
Percentage of ownership	50%	50%	
Group's share in net equity	19,979	7,656	27,635
Group's share from prior years income***	-	57	57
Elimination of group's share of associate's income related to transactions between the Group and joint ventures	(751)	-	(751)
Group's share in net equity	19,228	7,713	26,941
Group's share in revenues and joint ventures			
Administration expenses	(1,778)	(167)	(1,945)
Other revenues	59	-	59
Loss for the year	(1,719)	(167)	(1,886)
Percentage of ownership	50%	50%	
Group's share in year income	(859)	(83)	(942)
Group's share from prior years income	(1,110)	-	(1,110)
Group's share from joint ventures loss	(1,969)	(83)	(2,052)

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(5) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

* On 26 February 2014, the Company signed an agreement with (PKT) to establish a joint venture to produce phosphoric acid and sulphuric acid. This amount represents the Company's share of initial capital.

** During 2014, Jordan Industrial Ports Company increased its paid-in capital by JD 10,000,000 to become JD 26,000,000. JPMC's share of the capital increase is JD 5,000,000.

*** Prior year adjustments represent differences between draft financial statements and final audited financial statements of Jordan Industrial Ports Company.

**** This amount represents amortization expense of JD 622,321.

The estimated cost to renovate the industrial port of Aqaba as of 31 December 2015 is amounted to JD 120,000,000, where JPMC share is JD 60,000,000.

There are no contingent liabilities as 31 December 2015.

(6) INTANGIBLE ASSETS

The details of this item is as follows:

	2015	2014
Fertilizers unit goodwill*	20,754	21,804
New phosphate port**	152,624	158,983
	173,378	180,787

*FERTILIZERS UNIT GOODWILL:

During 1986 the Group acquired Jordan Fertilizers Industry Company ("JFIC" or "the Fertilizers Unit") regarding the Economic Security Committee decision no. 16/86 dated 15 June 1986, whereby all assets and certain liabilities have been transferred to the Group.

Goodwill represents the excess of the cost of purchase over the Group's interest in the net fair value of the JFIC identifiable assets and liabilities at the date of acquisition in 1996.

Impairment test of goodwill

The recoverable amount of the Fertilizers Unit has been determined based on the value in use calculation using the projected cash flows based on financial budgets and projections prepared by the Group. The pre-tax discount rate applied is 6.5%. The projections were prepared based on the production capacity and the expected prices of raw material and finished goods as published by specialized international organization. Based on the impairment test of goodwill results an impairment loss of 1,050,000 was recorded.

Key assumptions used:

The key assumptions to calculate the value in use for the Fertilizers Unit and which were used by management to prepare the projected cash flows for the impairment test of goodwill were as follows:

Projected sales:

The quantities sold during 2015 were used to build up the projected 5 years future sales.

Projected costs:

Except for raw material prices, the actual levels of costs in 2015 were used to build up the projected 5 years cost.

Discount rate:

The discount rate used reflects the management's estimate of the risks specific to the fertilizer unit and to the industry to determine the weighted average cost of capital which represent the discount rate used of 6.5% (2014: 6.5%).

Raw materials and selling prices:

Estimated selling prices and prices of raw materials are based on management expectations. Fertilizers chemical products prices are obtained from published information issued from international specialized organization and it has been adjusted on historical cost to reflect the purchase prices including Cost and Freight (CFR) Aqaba / Jordan.

(In Thousands of Jordanian Dinars)

(6) INTANGIBLE ASSETS (CONTINUED)

*FERTILIZERS UNIT GOODWILL (CONTINUED):

Sensitivity to changes in assumptions:

With regard to the assessment of value in use of the fertilizer unit, management believes that no reasonably possible changes in any other above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

**NEW PHOSPHATE PORT:

During 2014, the Company capitalized the new phosphate port project as intangible assets in accordance with IFRIC 12 (Service Concession Arrangements), where the total cost of the project represents the license to use and operate the new port for a period of 26 years, after that the port will be handed over to Aqaba Development Corporation / Aqaba Special Economic Zone Authority. The Company started to amortize the intangible assets related to the new phosphate port terminal from the first of January 2014. The amortization expense for the year ended 31 December 2015 amounted to JD 6,359,315 (2014: JD 6,359,315) was recorded within new phosphate port terminal expenses (Note 37).

Movement on new phosphate port is as follows.

	2015	2014
At 1 January	158,983	-
Transferred from projects in progress	-	153,145
Asset deferral provision***	-	12,197
Amortization for the year	(6,359)	(6,359)
At 31 December	152,624	158,983

*** This amount represents the asset deferral provision when the license to use and operate the new port expires. The obligation is measured at the present value of estimated future cash flows using an average interest rate of 6.5%. The balance of asset deferral provision is JD 12,993,461 as of 31 December 2015 (2014: JD 12,197,877). The maturities of the asset deferral provision are as follows:

	2015	2014
Long term asset deferral provision	11,775	11,259
Current portion of asset deferral provision (Note 20)	1,218	938
Total	12,993	12,197

(7) EMPLOYEES' HOUSING LOANS

	2015	2014
At 1 January	6,199	5,022
Net movement during the year	1,544	1,945
Present value discount	(1,365)	(768)
At 31 December	6,378	6,199

The group grants its classified employees, who have been in service with the Group for not less than seven years, interest-free housing loans at a maximum amount of JD 30,000 per employee. The loans are repayable in monthly installments, deducted from the employees' monthly salaries over a period not to exceed 15 years. These loans are guaranteed by a mortgage over the real estate.

Housing loans are initially recorded at fair value which is calculated by discounting the monthly installments to their present value using an interest rate which approximates the interest rate for similar commercial loans, and subsequently measured at amortized cost using the effective interest rate method.

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(8) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2015	2014
Quoted shares	249	265
Unquoted shares*	278	278
	527	543

* Unquoted financial assets at fair value through other comprehensive income are recorded at cost, the Group's management believes that book values of these assets do not materially vary from their fair value as of 31 December 2014 and 2015.

The Group's ownership percentage in some of these investments exceeds 20% of investees' net assets, and are not classified as investments in associates due to a board decision. Therefore, these investments are classified as financial assets at fair value through other comprehensive income.

(9) LOANS RECEIVABLE

The balance represents loans granted to associated companies of the Group (Jordan Abyad Fertilizers and Chemicals Company, Manajim for Mining Improvements Company and Jordan India Fertilizers Company). Long-term loans receivable are subject to annual interest rates between 6% and 8.25%.

		2015		2014	
		Loan payments		Loan payments	
	Currency	Due within one year	long-term	Due within one year	Long-term
Jordan India Fertilizers Company	USD	16,312	-	16,312	-
Jordan Abyad Fertilizers and Chemicals Company	USD	-	2,436	-	2,436
Jordan Abyad Fertilizers and Chemicals Company	JD	-	4,140	-	4,140
Manajim for Mining Improvements	JD	3,250	-	13,000	-
		19,562	6,576	29,312	6,576

(10) PRODUCTION AND DEVELOPMENT STRIPPING COSTS

Movement on the production stripping cost is as follows:

	2015	2014
At 1 January	33,360	19,222
Additions for the year	7,287	27,557
Amortization for the year	(12,424)	(11,741)
Elimination of Group's share of associate's income related to transactions between the Group and associates	441	(1,678)
At 31 December	28,664	33,360

(In Thousands of Jordanian Dinars)

(11) INVENTORIES, SPARE PARTS AND SUPPLIES

	2015	2014
Finished goods	61,009	53,247
Work in process (Note 35)	44,455	78,021
Raw materials	19,893	27,272
Inventory held by contractors	11,392	16,257
Spare parts and supplies	94,199	94,762
	230,948	269,559
Provision for slow moving spare parts*	(20,664)	(19,663)
	210,284	249,896

* Movement in the provision for slow-moving spare parts was as follows:

	2015	2014
At 1 January	19,663	20,212
Provision for the year	1,001	1,630
Released from provision (Note 29)	-	(2,179)
At 31 December	20,664	19,663

(12) ACCOUNTS RECEIVABLE

	2015	2014
Trade receivables	68,333	84,324
Due from associated companies (Note 39)	65,718	40,142
Other	7,446	6,698
	141,497	131,164
Allowance for doubtful debts	(20,961)	(20,961)
	120,536	110,203

The Group's policy with regard to trade receivables and related parties receivables is a collection period that does not exceed 90 days.

As at 31 December, the aging analysis of trade receivables is as follows:

	Neither past due nor impaired		
	Less than 90 days	90 – 180 days	Total
2015	112,882	7,654	120,536
2014	110,203	-	110,203

The management of the Group expects unimpaired receivables, on the basis of past experience, to be fully recoverable. The majority of the Group’s sales are made through letter of credits.

(13) OTHER CURRENT ASSETS

	2015	2014
Payments on letters of credit	7,073	9,005
Advance payments on sales tax	6,113	4,997
Prepaid expenses	4,020	3,634
Accrued interest revenue	2,859	787
Others	384	5
	20,449	18,428

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(14) CASH ON HAND AND AT BANKS

For the purpose of the consolidated statement of cash flow, cash and cash equivalents consist of the following amounts which appears in the consolidated statement of financial position:

	2015	2014
Cash at banks*	41,814	27,822
Cash on hand	98	39
	41,912	27,861
Less: Bank overdrafts (Note 23)	(70,417)	(97,722)
	(28,505)	(69,861)

Cash at banks include current accounts in United States Dollars bearing annual average interest rate of maximum 1% for the years ended 31 December 2015 and 2014.

Cash at banks include short-term deposits accounts in Jordanian Dinars bearing annual interest rate average between 4% and 5% (2014: Between 4.25% and 5%).

Short term investments balance for an amount of JD 4,612,037 as of 31 December 2014, represents bank deposits with maturity dates of more than three months and less than one year bearing annual interest rates range between 4.5% and 5%.

(15) EQUITY ATTRIBUTABLE TO EQUITY HOLDERS

Paid-in capital

The Group's authorized, subscribed and issued capital amounted to JD 75,000,000 comprises of 75,000,000 shares at par value of JD 1 per share.

Statutory reserve

As required by the Jordanian Companies Law, 10% of the annual net income for the year before income tax is to be transferred to the statutory reserve until it reaches 25% of the Group capital. However the Group may continue transferring to the statutory reserve up to 100% of the Group capital if general assembly approval is obtained. This reserve is not available for distribution to the shareholders.

Voluntary reserve

The amount accumulated in this reserve represents the transfers from net income before income tax at a maximum of 20%. This reserve is available for distribution to the shareholders.

Special reserve

The amount accumulated in this reserve represents the transfers from net income before income tax at a maximum of 20%. This reserve is available for distribution to the shareholders.

(16) LOANS

		2015		2014	
	Currency	Due Within one year	long-term	Due Within one year	Long-term
International Finance Corporation	USD	11,680	23,306	11,680	34,986
Arab Bank	USD	4,885	-	6,514	4,885
Housing Bank Loan	USD	7,080	24,780	-	-
Union Bank Loan	USD	2,832	11,328	-	-
Arab Banking Corporation revolving loan	USD	7,080	-	7,080	-
Arab Bank revolving loan	USD	7,080	-	7,080	-
		40,637	59,414	32,354	39,871

(In Thousands of Jordanian Dinars)

(16) LOANS (CONTINUED)

• International Finance Corporation (IFC) Loan

On 26 March 2010, Group signed a loan agreement with the International Finance Corporation (IFC) in the amount of USD 110 million for a period of nine years including two years grace period and payable in 14 equal semi-annually installments amounting to JD 5,840,107 for each installment at an interest rate of six months LIBOR +3.5%. The loan is divided into two parts: loan (A) in the amount of USD 50 million and loan (B) in the amount of USD 60 million. The purpose of the loan agreement is to finance the construction and operation of new rock phosphate terminal in the southern industrial zone in the port of Aqaba on (Building Operating and Transfer) BOT basis. The new terminal total cost was JD 153,144,330. The first installment for both loans (A) and (B) was paid on 15 June 2012, and the last installment for both loans (A) and (B) will be due on 15 December 2018.

•Arab Bank Loan

On 8 December 2013, the Group signed a loan agreement with the Arab Bank to finance the remaining portion of the Group's share of the project of Jordan Indian Fertilizers Company (JIFCO) in the amount of USD 23 million bearing an interest rate of (6 months LIBOR + 2% with a minimum interest rate of 3%). The loan is payable in 10 equal quarterly installments of USD 2.3 million. The first installment was paid during June 2014 and the last installment will be due in September 2016.

• Housing Bank for Trade and Finance Loan

On 22 December 2014, the Group signed a loan agreement with Housing Bank (Bahrain Branch) in the amount of USD 50 million to finance employees end-of-service expense bearing an interest rate of 3 months LIBOR + 3% with a minimum interest rate of 4% yearly. The loan is payable in 10 equal semiannual installments of USD 5 million. The loan was fully utilized on 6 January 2015. The first installment was paid on 22 December 2015 and the last installment will be due on 15 May 2020. The Bank is entitled to guarantee claims in case the average price per phosphate ton decrease by less than USD 60.

• Union Bank Loan

On 6 October 2015, the Group signed an agreement with Union Bank in the amount of USD 20 million to finance the compensation and end-of-service fund bearing an interest rate of 3 months LIBOR + 2.75% with a minimum interest rate of 3.25% yearly. The loan's duration is 6 years with a grace period of 1 year. The loan is payable in 5 annual installments of USD 4 million. First installment is payable on 6 October 2016 and last installment on 6 October 2020.

• Arab Banking Corporation Revolving Loan

On 22 May 2014, the Group signed a revolving loan agreement with Arab Banking Corporation with a ceiling of USD 10 Million to finance the working capital, at an annual interest of one month LIBOR + 1.5%. The loan was fully utilized during 2014 and should be fully paid within maximum 13 months from the utilization date.

• Arab Bank Revolving Loan

On 3 July 2014, the Group signed a revolving loan agreement with Arab Bank with a ceiling of USD 10 Million to finance to finance letters of credit, at an annual interest of one month LIBOR +2%. The loan was fully utilized during 2014 and should be fully paid within 1 month from the utilization date and / or the collection date of the letter of credit from customers, whichever is earlier.

Loans repayments schedule:

The aggregate amounts of annual principal maturities of long-term loan are as follows:

Year	Amount in JD' 000
2017	36,054
2018	11,680
Thereafter	11,680
	59,414

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(16) LOANS (CONTINUED)

Certain loan agreements contain covenants relating to financial ratios and others relating to additional borrowings. The loan agreements give the lender the right to ask for full repayment of the loans in case of non-compliance with the stated covenants.

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 10,000,000 (equivalent to JD 7,080,000) 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 was in compliance with the loan covenants as of 31 December 2015.

(17) COMPENSATION AND END-OF-SERVICE INDEMNITY PROVISIONS

The movement on the end-of-service indemnity provision is as follow:

	2015						
	Compensation Fund*	Employee End-of-Service Indemnity**	Engineers Specialty Allowances***	End of Service Bonus Compensation****	Six months Bonus compensation	Total	2014
At 1 January	4,333	74	18	29,201	2,649	36,275	35,525
Provision during the year	577	13	-	1,141	318	2,049	6,697
Transfers to employees*	-	-	-	(19,427)	(2,499)	(21,926)	(2,630)
Payments during the year	(677)	(87)	-	(422)	(188)	(1,374)	(2,474)
Actuarial loss (gain)	-	-	-	132	-	132	(843)
At 31 December	4,233	-	18	10,625	280	15,156	36,275

	2014						
	Compensation Fund*	Employee End-of-Service Indemnity**	Engineers Specialty Allowances***	End of Service Bonus Compensation****	Six months Bonus compensation	Total	2013
At 1 January	2,683	65	18	30,471	2,288	35,525	35,079
Provision during the year	2,028	18	-	3,987	664	6,697	5,076
Transfers to employees*	-	-	-	(2,630)	-	(2,630)	(2,707)
Payments during the year	(378)	(9)	-	(1,784)	(303)	(2,474)	(1,642)
Actuarial gain	-	-	-	(843)	-	(843)	(281)
At 31 December	4,333	74	18	29,201	2,649	36,275	35,525

* Transfers includes the following:

	2015	2014
Transferred to Death and Compensation Fund (note 21)	15,762	-
Transferred to employee incentive provision (note 34)	3,509	2,630
Released during the year	2,655	-
	21,926	2,630

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(17) COMPENSATION AND END-OF-SERVICE INDEMNITY PROVISIONS (CONTINUED)

** Starting on 1 January 1981, all employees became entitled to be included in the Compensation Fund (ESCF). The Fund contributions were divided between the employee and the employer. Effective 1 August 1999, the employer's share was amended to become JD 310 and the employee share JD 140 as the total entitlement became JD 450 annually. The Fund balance as of 31 December 2015 represents the accumulated funds that have vested to some employees since 1 July 2012 after deducting the amounts paid to the employees during the past years, the Company's contributions are recognized as an expense when incurred, under administrative expenses.

*** The employees' end-of-service provision was, until 30 April 1980, computed in accordance with the Jordanian Labor Law. Effective 1 May 1980, the provision became subject to the newly-enacted Social Security Law. As a result, the indemnity accrues to employees on a pro-rata basis during the employment period based on the employee's current salary in accordance with the Labor Law No. (8) effective 16 June 1996. The provisions under the old and new schemes are payable upon termination or resignation of the employee.

**** The reserve for engineers' specialty allowance was computed based on a Cassation Court decision issued in favor of a former employee of the Company for which the Company had to pay the specialty allowance as part of employees' indemnity. The engineers' specialty allowances were calculated in 1999 based on a court decision to include certain allowances in the end of service calculation.

***** The Company calculated the provision for employees' end-of-service bonus based on

JD 1,000 per each service year for each employee in accordance with the signed agreement with the Jordanian Mines Employees Labor Union on 9 June 2011 and according to the Board of Directors decisions made on the 2 July, 2011 and 28 July 2011 which set the end of service bonus basis.

End-of-service bonus is earned based on years of service. The Company determined its liability for defined end of service bonus as the present value of the obligation at the date of the consolidated financial statements. The obligation resulting from the end-of-service bonus compensation plan is determined using the projected unit credit method and it is computed by an actuarial expert.

This provision includes a surplus of JD 9,260, no decision was taken to transfer this surplus to death and compensation Fund.

Details of employees end-of-service indemnity expense as presented on the consolidated statement of income is as follows:

	2015	2014
Interest cost	511	1,918
Cost of current service	630	2,069
Reversed employees incentives provision	(19,427)	(2,630)
	(18,286)	1,357

Principal actuarial assumptions used to determine end-of-service bonus compensation:

	2015	2014
Discount rate*	6.5%	6.5%
Mortality rate	0.12%	0.12%
Resignation rate:		
Up to the age of 34 years	3%	3%
From the age of 35 to 49 years	2%	2%
Age 50 years and over	0%	0%

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(17) COMPENSATION AND END-OF-SERVICE INDEMNITY PROVISIONS (CONTINUED)

* The obligation is measured at the present value of estimated future cash flows using an average interest rate of 6.5%.

The following schedule shows the sensitivity in the principal actuarial assumption changes used to determine end-of-service bonus compensation as of 31 December 2015 and 2014:

	Discount rate		Mortality rate		Resignation rate	
	Rate	Increase (decrease)	Rate	Increase (decrease)	Rate	Increase (decrease)
2015-	+1	135	+20	(4)	+1	(78)
	-1	(157)	-20	4	-1	85
	+1	2,462	+20	(79)	+1	(1,174)
2014-	-1	(2,832)	-20	79	-1	1,265

(18) EARLY RETIREMENT OBLIGATIONS

During its meeting held on 9 February 2000, the Company's Board of Directors approved the incentives and guidelines and early retirement plan, which include the following benefits to those employees who choose to benefit from the plan:

1- Medical insurance coverage for the employee after retirement.

2- Payment of the difference between the gross salary being paid by the Company and the retirement salary granted by the Social Security Corporation up to the period when the employee becomes entitled to the elderly age retirement salary as per article (44) of the Social Security Law applicable at that date.

3-Six-month salary bonus.

4- A one-month salary bonus for each year between the early retirement date and the date on which an employee becomes entitled to the elderly age retirement salary as per the Social Security Law.

5- A 50% contribution toward the cost of purchasing additional years, up to a maximum of 5 years, for the purpose of maximizing the social security benefits.

Benefits are dependent upon the years of service. The Company determined its liability for defined benefit plan as the present value of the obligation at the date of the consolidated financial statements minus past service cost.

The obligation resulting from the early retirement plan is determined using the projected unit credit method.

The Company's Board of Directors resolved to cancel the incentive and early retirement plan effective 31 December 2001.

The following table reconciles the funded status of the defined benefit plan (early retirement plan) to the amount recognized in the statement of financial position:

	2015	2014
Present value of unfunded obligation	1,382	2,051
Curtailments and settlements	(1,245)	(669)
Liability recognized in the consolidated statement of financial position	137	1,382

The movements in the liability recognized in the consolidated statement of financial position were as follows:

	2015	2014
At 1 January	1,382	2,051
Early retirement expense	90	133
Payments of bonuses and salary difference to retirees	(417)	(802)
Provision reduction during year*	(918)	-
Net liability at 31 December	137	1,382

* During 2015, the Company performed a study on the remaining balance of the early retirement obligation. As a result, the company reversed an amount of JD 917,692 to other income, and the remaining balance of JD 137 thousand was reclassified within current liabilities.

Principal actuarial assumptions used to determine pension obligations as of 31 December were as follows:

	2015	2014
Discount rate*	6.5%	6.5%
Inflation rate of health care costs	7%	7%

* The obligation is measured at the present value of estimated future cash flows using an average interest rate of 6.5%.

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(19) ACCOUNTS PAYABLE

	2015	2014
Due to associates (Note 39)	51,040	50,845
Due to contractors	8,084	5,814
Due to foreign suppliers	870	17,053
Due to local suppliers	2,492	5,043
Others	16,542	12,504
	79,028	91,259

(20) ACCRUED EXPENSES

	2015	2014
Mining fees	17,623	13,710
Inventory held by contractors	11,392	16,257
Accrued contractors expense	6,725	7,894
Asset deferral provision (Note 6)	1,218	938
Accrued production bonus	766	400
Accrued rent	2,568	5,049
Interest expense	393	206
Sales agents' commissions	614	468
Freight and transportation fees	3,902	3,488
Delayed loading expense	1,393	1,281
Sales rebates	1,368	665
Port fees	1,087	2,808
Fuel, electricity and water expenses	1,484	2,538
Accrued health insurance	1,203	773
Accrued agriculture service fees	2,099	1,287
Others	3,972	4,745
	57,807	62,507

(21)OTHER CURRENT LIABILITIES

	2015	2014
Deposits and other provisions	6,306	19,964
Death and Compensation Fund*	1,431	-
Contractor retention	3,394	3,475
Cash received under letters of guarantees	2,357	2,357
Other	3,910	3,760
	17,398	29,556

* The movement on the Death and Compensation Fund is as follows:

	2015	2014
At 1 January	-	-
Company's contribution	10,677	-
Employees contribution	1,105	-
Transferred form compensation and end-of-service provision (Note 17)	15,762	-
Transferred from other period	101	-
Paid during the year	(26,214)	-
	1,431	-

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(21)OTHER CURRENT LIABILITIES (CONTINUED)

During March 2015, the Group established a Death and Compensation Fund in accordane with the Board of Directors resolution dated 12 March 2015. The Fund is independent from the Group (financially and administratively) and is effective starting 1 April 2015.

The Fund resources consist of the following:

• Employees' contribution of 1% of gross salary subject to social security with a minimum annual contribution of JD 240.

• Company's contribution of 25% of gross monthly salaries subject to social security.

• Donations and grants.

The Fund grants the employees included in this Fund upon their end-of-service, an average of two-month salary bonus for each service year with a maximum of 23 service years. The salary bonus is determined based on the last salary subject to social security with a maximum salary of JD 4,000.

The Company's financial obligations toward the Fund is limited to the contribution of 25% of gross monthly salaries subject to social security. Accordingly, the Company is not legally obligated in case the Fund was not able to pay its obligations.

(22) DUE TO BANKS

This balance represents the utilized amount of overdraft facilities granted by local banks with a ceiling of JD 46,500,000 as of 31 December 2015 (2014: JD 46,500,000) for the JD accounts, and USD 60,500,000 as of 31 December 2015 (2014: USD 60,500,000) for the USD accounts. As of 31 December 2014, the Group had an agreement with a local bank to exceed the ceiling of the USD overdraft facility by

USD 10,000,000 guaranteed by the export letters of credit received by the Company. Average interest rates on those overdrafts facilities ranged between 7.25% and 8.5% in 2015 (2014: between 7.5% and 8.75%) for the JD accounts, and LIBOR plus 1% to 2% for the USD accounts with a maximum of 4.875%.

(23) Income Tax

Income tax expense (benefit) presented in the consolidated income statement represents the following:

	2015	2014
Current year income tax	9,757	4,531
Amount released from deferred tax asset	8,261	3,098
Prior year tax	270	-
Deferred tax assets	(4,540)	(7,941)
	13,748	(312)

(A) Income tax payable

Movement in the provision for income tax was as follows:

	2015	2014
At 1 January	434	(7,094)
Income tax expense for the year	9,757	4,531
Prior years tax	270	-
Reclassifications*	-	5,254
Income tax paid	(6,862)	(2,257)
At 31 December	3,599	434

* This item represents the amounts that have been reclassified to advance payments on sales tax, due to the fact that the Income and Sales Tax Department did not accept deducting these amounts against the income tax provision.

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(23) INCOME TAX (CONTINUED)

(B) Reconciliation of the accounting profit to taxable profit

The details of computed income tax is as follows:

	2015					
	Phosphate	Fertilizer	Indo Jordan*	Nippon Jordan*	Al Ro'ya	Total
Profit before tax	51,414	(17,642)	11,038	3,598	(14)	48,394
Non-taxable profits	(56,343)	(13,835)	(11,038)	(3,598)	-	(84,814)
Non-deductible expenses	30,553	4,289	-	-	1,232	36,074
Taxable income	25,624	(27,188)	-	-	1,218	(346)
Provision for income tax	9,513	-	-	-	244	9,757
Effective income tax rate	18.5%	-	-	-	-	20.2%
Enacted income tax rate	24%	5%	-	-	20%	-

	2014					
	Phosphate	Fertilizer	Indo Jordan*	Nippon Jordan*	Al Ro'ya	Total
Accounting profit	25,150	(16,789)	7,562	4,746	(46)	20,623
Non-taxable profits	(26,822)	(5,691)	(7,562)	(4,746)	-	(44,821)
Non-deductible expenses	33,336	8,720	-	-	449	42,505
Taxable income	31,664	(13,760)	-	-	403	18,307
Provision for income tax	4,480	-	-	-	51	4,531
Effective income tax rate	17.8%	-	-	-	-	21.9%
Enacted income tax rate	14%	5%	-	-	14%	-

* No income tax is calculated on Indo-Jordan's and Nippon Jordan's results because both companies are registered in the free zone which is exempted from the income tax at 100%.

(C) Deferred tax assets

Movement in the provision for income tax was as follows:

	2015	2014
At 1 January	10,811	5,968
Additions during the year	4,540	7,941
Released during the year	(8,261)	(3,098)
At 31 December	7,090	10,811

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(23) INCOME TAX (CONTINUED)

The income tax provision for the year ended at 31 December 2015 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 Fertilizers Unit.

The income tax provision for the year ended at 31 December 2014 has been calculated in accordance with the Income Tax Law No. (28) of 2009 and in accordance with the Aqaba Special Economic Authority Law (32) of 2000 for the Fertilizers Unit.

Phosphate Unit-

The Company submitted its' tax declarations for the Phosphate Unit for the years 2014, 2013 and 2012. The Income and Sales Tax Department has not reviewed the records of the Phosphate Unit up to the date of the 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 declarations for the Fertilizers Unit for the years 2014, 2013 and 2012. The Income and Sales Tax Department / Aqaba Special Economic Zone Authority has not reviewed the records of the Fertilizers Unit up to the date of the consolidated financial statements. The Income and Sales Tax Department / Aqaba Special Economic Zone Authority have reviewed the records of the Fertilizer Unit for the year 2011 and did not issue its' final report up to the date of the consolidated financial statements. The Company reached a final settlement with the income tax department / Aqaba Special Economic Zone Authority for the fertilizers Unit up to 2010.

(24) COST OF SALES

	2015	2014
Finished goods at 1 January	53,247	82,403
Production costs (Note 35)	572,433	533,687
Finished goods at 31 December	(61,009)	(53,247)
	564,671	562,843

Included in the Fertilizer Unit's production costs are amounts of JD 2,104,395 and JD 2,382,098 for 2015 and 2014 respectively, which represent mining fees on rock phosphate used in the fertilizer unit production (Note 28).

(25) SELLING AND MARKETING EXPENSES

	2015	2014
Sales commissions	2,733	2,801
Export department	1,665	1,435
Packaging materials	686	295
Income tax on marine freight	345	414
Delayed loading expenses	185	81
Bank charges on letters of credit	845	839
Governmental fees on agriculture services	876	938
Other sales and marketing expenses	2,110	2,313
	9,445	9,116

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(26) ADMINISTRATIVE EXPENSES

	2015	2014
Salaries and wages	8,955	8,741
End-of-service benefits and compensation fund contributions	7,730	3,793
Paid vacations and end-of-service benefits	161	42
Employees Saving Fund contributions	384	359
Post Retirement Health Insurance contributions	2,739	1,525
Employees' Health Insurance Fund contributions	393	351
Employer's Social Security contributions	880	920
Medical expenses	299	479
Travel and per diems	669	815
Depreciation	587	596
Post and telephone	173	133
Subscriptions and exhibitions	164	353
Legal expenses and lawyer fees	459	755
Rent	170	104
Advertising	203	132
Stationery	117	106
Utilities	241	219
Hospitality	202	196
Maintenance and spare parts	291	354
Scientific research and development	918	717
Fees, taxes and stamps	346	1,506
Insurance fees	109	80
Others	2,809	1,726
	28,999	24,002

(27) RUSSIEFAH MINE EXPENSES

	2015	2014
Wages and salaries	511	1,055
Employer's social security contributions	64	226
Employees Saving Fund contributions	18	45
Employees Health Insurance Fund contributions	35	79
Medical expenses	11	65
Scientific research and development	1,433	1,290
Depreciation	27	25
Others	438	199
	2,537	2,984

(28) MINING FEES

The Group is subject to mining fees to the Jordanian Government on each ton of phosphate rocks exported, sold locally or used in the Group's projects. Mining fees is calculated as 5% of gross revenue or JD 1.42 per ton of phosphate, whichever is higher.

Mining fees incurred for the years 2015 and 2014 are as follows:

	2015	2014
Mining fees on exported and locally sold Phosphate	22,809	19,612
Mining fees on Phosphate used by the Fertilizers Unit (Note 24)	2,105	2,382
	24,914	21,994

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(29) OTHER INCOME, NET

	2015	2014
Net income from sales of supplies	1,091	1,655
Early vessels revenue	474	255
Dividends income	219	232
Reversed slow moving provision (Note 11)	-	2,179
Excess provisions released	4,206	-
Settlement of insurance claims	324	512
Others	4,128	619
	10,442	5,452

(30) FINANCE COSTS

	2015	2014
Interest on loans	3,894	2,818
Bank interest	5,484	5,592
Present value discount for phosphate port	796	-
Others	1,378	780
	11,552	9,190

(31) FINANCE INCOME

	2015	2014
Interest income on banks' current accounts and deposits	1,344	1,317
Interest on loans receivable	1,130	235
	2,474	1,552

(32) EARNINGS PER SHARE

	2015	2014
Profit for the year attributable to Company's shareholders (thousand JD's)	33,764	19,775
Weighted average number of shares during the year (thousand Shares)	75,000	75,000
	JD/Fils	JD/Fils
Basic earnings per share*	0/450	0/264

* The diluted earnings per share attributable to Company's shareholders are equal to the basic earnings per share.

(33) SEGMENT INFORMATION

The operating 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 market as well as to 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 international and local markets as well as the associated companies.

Indo-Jordan (Subsidiary) produces phosphoric acid and other chemicals by-products and sells to international and associated companies.

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

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(33) SEGMENT INFORMATION (CONTINUED)

	Phosphate	Fertilizers	Indo-Jordan	Nippon	Others	Trading in Raw Materials	Eliminations	Total
31 December 2015								
Revenues								
External sales	423,614	113,459	90,270	96,090	-	26,741	-	750,174
Inter-segment sales	74,946	36,116	11,128	-	-	-	(122,190)	-
Total Sales	498,560	149,575	101,398	96,090	-	26,741	(122,190)	750,174
Cost of sales	(245,426)	(127,562)	(75,966)	(90,488)	-	(25,229)	-	(564,671)
Gross profit	253,134	22,013	25,432	5,602	-	1,512	(122,190)	185,503
Segment results -								
Profit before tax, finance costs, interest income and exchange difference	60,629	(18,823)	11,166	2,769	(14)	1,512	-	57,239
Finance (costs) income and exchange difference	(9,208)	(338)	(128)	829	-	-	-	(8,845)
Profit (loss) before tax	51,421	(19,161)	11,038	3,598	(14)	1,512	-	48,394
Profit (loss) for the year	38,531	(19,775)	11,038	3,598	(258)	1,512	-	34,646
Share of profit of associates and joint ventures	(274)	-	-	-	-	-	-	(274)
Non-controlling interest	-	-	-	882	-	-	-	882
Other segment information -								
Capital expenditures	8,333	4,727	3,431	323	2	-	-	16,816
Depreciation	6,415	6,217	8,526	980	157	-	-	22,295

	Phosphate	Fertilizers	Indo-Jordan	Nippon	Others	Trading in Raw Materials	Eliminations	Total
31 December 2014								
Revenues								
External sales	357,551	213,716	72,070	82,287	-	12,805	-	738,429
Inter-segment sales	82,328	12,098	34,273	-	-	-	(128,699)	-
Total Sales	439,879	225,814	106,343	82,287	-	12,805	(128,699)	738,429
Cost of sales	(201,683)	(215,995)	(58,550)	(75,307)	-	(11,308)	-	(562,843)
Gross profit	238,196	9,819	47,793	6,980	-	1,497	(128,699)	175,586
Segment results -								
Profit before tax, finance costs, interest income and exchange difference	33,048	(17,939)	7,853	3,759	(46)	1,497	-	28,172
Finance (costs) income and exchange difference	(7,926)	(319)	(291)	987	-	-		(7,549)
Profit before tax	25,122	(18,258)	7,562	4,746	(46)	1,497	-	20,623
Profit for the year	25,369	(18,142)	7,562	4,746	(97)	1,497	-	20,935
Share of profit of associates and joint ventures	4,172	-	-	-	-	-	-	4,172
Non-controlling interest	-	-	-	1,160	-	-	-	1,160
Other segment information -								
Capital expenditures	28,355	8,107	4,150	1,006	43	-	-	41,661
Depreciation	5,688	6,829	8,389	932	152	-	-	21,990

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(33) SEGMENT INFORMATION (CONTINUED)

	Phosphate	Fertilizers	Indo Jordan	Nippon	Others	Total
Assets and Liabilities as at 31 December 2015						
Assets	577,608	212,737	102,084	44,542	1,170	938,141
Investment in associates and joint ventures	236,042	-	-	-	-	236,042
Liabilities	328,074	21,978	4,890	249	774	355,965
Assets and Liabilities as at 31 December 2014						
Assets	601,615	225,597	110,334	38,429	929	976,904
Investment in associates and joint ventures	234,562	-	-	-	-	234,562
Liabilities	360,461	55,687	9,804	1,198	364	427,514

Geographical segments:
Following is a summary of sales by geographical areas:

	Phosphate	Fertilizers	Indo-Jordan	Nippon	Raw Materials	Total
2015 -						
Asia	321,612	89,687	52,037	44,851	-	508,187
Australia	6,355	-	-	5,086	-	11,441
Europe	15,757	13,985	33,081	45,392	-	108,215
Africa	-	9,190	-	642	-	9,832
Associated companies, Jordan	79,890	-	-	-	-	79,890
Other	-	597	5,152	119	26,741	32,609
	423,614	113,459	90,270	96,090	26,741	750,174
2014 -						
Asia	293,383	139,761	72,070	56,216	-	561,430
Australia	6,227	-	-	1,685	-	7,912
Europe	14,623	30,318	-	24,386	-	69,327
Africa	-	42,994	-	-	-	42,994
Associated companies, Jordan	43,318	-	-	-	-	43,318
Other	-	643	-	-	12,805	13,448
	357,551	213,716	72,070	82,287	12,805	738,429

The Group operates in the Hashemite Kingdom of Jordan, accordingly all of its assets and liabilities are within the territory of Jordan, except for the Indonesian project – Petro Jordan Abadi Company which is located in Indonesia.

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(34) OTHER PROVISIONS

The details of other provisions included in the consolidated statement of income are as follows:

	2015	2014
Employees' incentives provision*	-	26,000
End-of-service bonus compensation provision (Note 17)	1,141	3,987
Bonus compensation – six months for subsidiaries (Note 17)	318	664
	1,459	30,651

The details of employees' incentives and retirees grants provision included in the consolidated statement of financial position are as follows:of financial position are as follows:

	2015	2014
Employees' incentives provision*	12	24,310
Employees' grants provision**	585	585
	597	24,895

* The employees' incentive provision for the years ended 31 December 2014 and 2013 was calculated based on the Labor Agreement and the Company's Board of Directors approval to take a provision for (Early Retirement Incentive Plan for the year 2011). The Labor agreement states that in any year the Company incurs net loses, no employees will be approved for early retirement during that year; therefore, the provision for 2014 was calculated for an amount of JD 26,000,000 and for the year 2013 up to the net income for the year which amounted to JD 12,451,000.

The employees' incentives provision for the year 2012 was calculated based on the Company's Board of Directors decision on 2 July 2011 approved an Early Retirement Incentive Plan for the year 2011 and its associated by-laws (the "Plan"). The Plan is applicable only to those employees who meet its conditions, whereby the Plan may not be combined with either the early retirement incentive plan for the year 2000 or with the end of service bonus. The Plan provides the following benefits to those employees who meet the conditions of the plan:

1- Granting a JD 1,000 bonus for each year of service as of the hiring date and until the termination date.

2- Granting a JD 1,000 bonus for each year of service as of the termination date until attaining the age of seniority (60 years of age for males and 55 years of age for females).

3- Granting a bonus equivalent to four salaries for each year in respect of the first five years of service, a bonus equivalent to three salaries for each year in respect of the second five years of service, a bonus equivalent to two salaries for each year in respect of the third five years of service. For purposes of computing the incentive provided for under the Plan, the remaining years of service must not, in all cases, exceed 10 years for females and 15 years for males.

4- Benefiting from the medical insurance coverage after retirement. Additionally, the employee who does not meet the conditions of the Plan, or the employee who chooses to leave the company but not take advantage of the early retirement program, still has the right to subscribe to the medical insurance coverage after retirement provided that the subscription must be paid for in advance.

Whereby eligibility to the Plan and its entitlements shall not affect the eligible employee's rights to receive his/her end-of-service benefits including the six-month bonus, the compensation and death fund entitlements, or the savings fund entitlements.

Movement on the employees' bonus provision is as follows:

	2015	2014
At 1 January	24,310	16,051
Provision for the year	-	26,000
Transferred from end-of-service indemnity provision (Note 17)	3,509	2,630
Paid during the year	(27,807)	(20,371)
At 31 December	12	24,310

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(34) OTHER PROVISIONS (CONTINUED)

** On 29 February 2012, the Company's Board of Directors approved the decision to grant the Company's early retirees who retired on early retirement plan for the year 2000 an amount of JD 5,000 for each retiree.

On 20 February 2012, the Company's Board of Directors approved the decision to grant the Company's retirees who retired between the period from 1 January 2002 and 4 June 2011. The amount is calculated based on the following formula and the minimum amount is JD 8,000 for each retiree:

((50% x salary subject to social security x years of service) + (25% x salary subject to social security x remaining years from the termination date until the age of seniority)).

Movement on the employees' grants provision is as follows:

	2015	2014
At 1 January	585	590
Paid during the year	-	(5)
At 31 December	585	585

(35) PRODUCTION COSTS

	2015	2014
Work in progress beginning balance	78,021	91,359
Add:		
Mining contractors	162,266	142,469
Raw materials	134,611	158,774
Raw materials purchases	25,229	11,308
Salaries and other benefits	90,066	85,689
Utilities	36,147	29,891
Fuel and oil	23,753	22,996
Spare parts and consumables	27,997	23,789
Depreciation	21,472	21,163
Others	17,326	24,270
Less: Work in progress Ending balance	(44,455)	(78,021)
	572,433	533,687

(36) SALARIES AND EMPLOYEES BENEFITS

	2015	2014
Salaries and allowances	82,794	84,865
Present value of end of service bonus compensation	1,141	3,987
End-of-service and indemnity fund	11,041	1,609
Social security	8,788	9,411
Saving fund	2,930	3,109
Employees medical expenses	2,897	3,636
Employees families health insurance	3,401	3,455
The Company's share in the health insurance fund / retirees	2,767	1,649
Employees meal subsidy	1,341	1,025
Paid end-of-service indemnity	6,552	2,943
	123,652	115,689

This item does not include Employees' incentives provision (Note 35) amounting to JD 26,000,000 as of 31 December 2014 (2013: JD 12,451,000).

(37) NEW PHOSPHATE PORT TERMINAL EXPENSES

	2015	2014
Salaries, wages and other benefits	2,632	2,563
Water and electricity	1,341	1,135
Amortization (Note 6)	6,359	6,359
Property and equipment insurance	891	735
Rent	399	511
Others	171	105
	11,793	11,408

(38) COMMITMENTS AND CONTINGENCIES

Guarantees and letters of credit

As of 31 December 2015, the outstanding letters of credit and letters of guarantee were

JD 12,358,368 and JD 2,867,699 respectively (2014: JD 36,768,086 and JD 2,657,055; respectively).

The Group has guaranteed 25% (Group's share of investment) of the syndicated loans and credit facilities given to Jordan Abyad Fertilizers and Chemicals Company, managed by Jordan Ahli Bank, amounting to JD 11,776,879 as of 31 December 2013. On 30 July 2013, Jordan Ahli Bank withdrew USD 3,440,871 from the Groups account which represents the Group's share of the syndicated loan installment, the credit facilities granted and the accrued interest on Jordan Abyad Fertilizers and Chemicals Company due on 30 June 2013.

Operating Leases

During 2008, the Group had renewed the 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.

Litigation

The Group is a defendant in a number of lawsuits in the ordinary course of business of approximately JD 750,000. The management of the Group believes that these lawsuits will not have a material effect on the financial statements.

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 and 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 12,563,560. The Group filed a counter-claim that has reached JD 27,659,429 representing the cost incurred by the Group in fixing the errors made by KHD during the construction of the project.

Obligations related to rehabilitation of mines and factories

The Group's activities are represented in industrial and mining rights, which may have an impact on the environment. The Group does not have a reliable estimate of this impact. The Group will perform a study to determine the environmental obligations "if any" as a result of the Group's business.

(39) RELATED PARTY TRANSACTIONS

Related parties represent balances with associated companies, major shareholders, directors and key manag ment of the Group and the companies in which they are major shareholders in.

The Group entered into transactions with the associates, related parties and the Hashemite Kingdome of Jordan government in its normal course of business with pricing, policies and term.

The following is a summary of related parties transactions for the years ended 31 December 2015 and 2014:

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(39) RELATED PARTY TRANSACTIONS (CONTINUED)

	Related party			Total	
	Associated Companies and Joint Ventures	Government of Jordan*	Others**	2015	2014
Consolidated statement of financial position items:					
Accounts receivable	65,718	-	21,687	87,405	64,599
Accounts payable	51,040	-	643	51,683	51,702
Debit loans	26,138	-	-	26,138	35,888
Accrued expenses					
Off consolidated statement of financial position items:					
Guaranteed loans	11,777	-	-	11,777	11,777
Consolidated statement of income items:					
Sales	79,890	-	134,941	214,831	43,318
Purchases	143,122	-	8,964	152,086	168,106
Mining fees	-	24,914	-	24,914	21,994
Port fees	-	4,265	-	4,265	4,869
Other income	18,873	-	653	19,526	13,240
Land lease	-	4,708	-	4,708	4,829

The following transactions have been entered into with related parties:

* The Group purchases goods and services from companies /institutions owned by the Government of Jordan (Major shareholders). The total amounts paid to these companies / institutions amounted to JD 98,765,715 and JD 87,539,140 for the years ended 31 December 2015 and 2014 respectively.

** Others include balances and transactions with Jordan Phosphate Mines Company partners in associated companies and projects.

Compensation of the key management personnel was as follows:

	2015	2014
Benefits (Salaries, wages, and other benefits) of senior executive management	801	607

End-of-service indemnity paid to key management personnel for the year 2015 amounted to JD 441,000 (2014: JD 69,175).

Main transactions with the Government of Jordan:

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

- The Company is liable to pay mining fees to the Government of Jordan at rates determined by the government from time to time.
- The Company has an operating lease with the Government of Jordan / Aqaba Special Economic Zone Authority for the land which the Industrial Complex is built on.
- The Company has an operating lease with the Government of Jordan / Aqaba Special Economic Zone Authority for the land which the New Phosphate Port is built on (Note 6).

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(40) MATERIAL PARTY-OWNED SUBSIDIARIES

Financial information of subsidiaries in which non-controlling interest is material is as follows:

Company name	Country of incorporation	Nature of activity	Non-Controlanig Interest 2015	Non-Controlanig Interest 2014
Nippon Jordan Fertilizers Company Limited	Jordan	Production and sale of fertilizers and chemical by-products	30%	30%

Summarized financial information of these subsidiaries are provided below. This information is based on amounts before inter-company elimination.

Accumulated balances of material non-controlling interest	2015	2014
Nippon Jordan Fertilizers Company Limited	10,973	10,323
Profit attributable to material non-controlling interest	2015	2014
Nippon Jordan Fertilizers Company Limited	822	1,160
Dividends	(232)	-

A. Summarized statement of financial position

	Nippon Jordan Fertilizers Company Limited 2015	2014
Current assets	36,232	29,645
Non-current assets	8,219	8,862
Current liabilities	(7,702)	(3,462)
Non-current liabilities	(280)	(742)
Difference between book and market value at acquisition	107	107
Total equity	36,576	34,410
Non-controlling interest in equity	10,973	10,323

B. Summarized statement of profit and loss

	Nippon Jordan Fertilizers Company Limited 2015	2014
Sales revenue	96,090	82,287
Cost of sales	(91,144)	(76,187)
Gross profit	4,946	6,100
Sales and marketing expenses	(1,393)	(1,694)
Administrative expenses	(1,602)	(1,632)
Operating profit	1,951	2,774
Interest revenue	923	1,019
Finance cost	(86)	(23)
Other revenue	153	95
Net income for the year	2,941	3,865
Other comprehensive income	-	-
Total comprehensive income	2,941	3,865
Total comprehensive income attributable to non-controlling interest	882	1,160

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(40) MATERIAL PARTY-OWNED SUBSIDIARIES (CONTINUED)

C. Summarized statement of cash flow

	Nippon Jordan Fertilizers Company Limited	
	2015	2014
Operating activities	9,697	(4,314)
Investing activities	625	(1,006)
Financing activities	(859)	1,077
Net increase (decrease) in cash and cash equivalents	9,463	(4,243)

(41) FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments include financial assets and financial liabilities.

Financial assets include cash on hand and at banks, trade receivables, debt loans and selected other current assets as well as employee housing loans, financial liabilities include due to banks, accounts payable and other current liabilities.

Book values of financial instruments do not materially vary from their fair value.

The Group uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

– Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

– Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

– Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Group’s assets and liabilities:

	Level 1	Level 2	Level 3	Total
2015 -				
Financial assets				
Financial assets at fair value through other comprehensive income	249	-	-	249
Financial assets of fair value through profit and loss	159	-	-	159
2014 -				
Financial assets				
Financial assets at fair value through other comprehensive income	565	-	-	565
Financial assets of fair value through profit and loss	211	-	-	211

(42)RISK MANAGEMENT

A)Interest rate risk -

Credit risk is the risk that results from the changes in market value or future cash flows of financial instruments as a result of changes in interest rate.

The Group is exposed to interest rate risk on its interest-bearing assets and liabilities (bank deposits, bank overdraft and term loans).

(42)RISK MANAGEMENT (CONTINUED)

T he following table summaries the sensitivity analysis for the changes in the interest rates over the profit and loss for the Group as of 31 December computed on the Group's assets and liabilities bearing a variable interest rate, with all other variables held constant, on the consolidated statement of income:

Currency	Increase in interest rates Basis points	Effect on profit JD'(000)
2015 -		
JOD	100	(102)
USD	100	(1,027)
Euro	100	1
2014 -		
JOD	100	(501)
USD	100	(846)
Euro	100	42
GBP	100	1

The effect of decreases in interest rates by 100 basis points is expected to be equal and opposite to the effect of the increases shown above.

B) Equity price risk

The following table demonstrates the sensitivity of the Group's consolidated statement of income (for financial assets at fair value through profit and loss) and cumulative changes in fair value (for financial assets at fair value through other comprehensive income) to reasonably possible changes in equity prices, with all other variables held constant.

	Change in Index	Effect on Profit	Effect on Equity
2015 -	%	JD ('000)	JD ('000)
Index			
Amman Stock Exchange	5	8	12
2014 -			
Index			
Amman Stock Exchange	5	11	13

The effect of decreases in equity prices with the same percentages is expected to be equal and opposite to the effect of the increases shown above.

C) Credit risk -

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The majority of the Group's sales are carried out through letters of credit.

The Group sells its products to a large number of phosphate and fertilizers customers. Its largest 8 customers account for 91% of outstanding accounts receivable at 31 December 2015 (2014: largest 8 customers 89%).

D) Liquidity risk -

Liquidity risk is defined as the Group failure to provide the required funding to cover its obligations at their respective due dates.

The Group limits its liquidity risk by ensuring bank facilities are available.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December 2015 and 2014, based on contractual payment dates and current market interest rates.

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(42)RISK MANAGEMENT (CONTINUED)

As of 31 December 2015	Less than 3 months	3 to 12 months	1 to 5 years	Total
Due to banks	1,408	74,643	-	76,051
Accounts payable	68,615	10,413	-	79,028
Term loans	1,640	40,272	61,693	103,605
Total	71,663	125,328	61,693	258,684

- As of 31 December 2014	Less than 3 months	3 to 12 months	1 to 5 years	Total
Due to banks	2,138	104,135	-	106,273
Accounts payable	91,259	-	-	91,259
Term loans	2,317	30,958	41,344	74,619
Total	95,714	135,093	41,344	272,151

E) Currency risk -

Most of the Group's transactions are in Jordanian Dinars and US Dollars and Euro. The Jordanian Dinar exchange rate is fixed against the US Dollar (USD 1/41 JD). Accordingly, the Group is not exposed to significant currency risk in relation to the US Dollar.

(43) CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 31 December 2014.

During its meeting held on 19 March 2016, the Company's Board of Directors approved the recommendation to the general assembly to capitalize an amount of JD 7,500,000 from the retained earnings and distribute them to shareholders as stock dividends.

Capital comprises paid in capital, statutory reserve, voluntary reserve, special reserve and retained earnings, and is measured at JD 807,397,460 as at 31 December 2015 (2014: JD 773,764,982).

(44) SUBSEQUENT EVENTS

- On 5 January 2016, the Group signed a loan agreement with Arab Bank of USD 50 million to finance 100% of JPMC's share in Jordan Industrial Ports Company for the rehabilitation and development of industrial port in Aqaba. The loan bears interest rate of 6 months LIBOR + 2.75% for the first 7 years, and 6 months LIBOR + 2.8% for the second 8 years. The loan's duration is 15 years with a grace period of 2 years. The loan is payable in semi-annual installments of USD 1.9 million. The loan was not utilized up to the date of the consolidated financial statements. First installment is payable on 15 January 2018 and last installment on 15 January 2030.

- During its meeting held on 19 March 2016, the Company's Board of Directors approved the recommendation to the general assembly to capitalize an amount of JD 7,500,000 from the retained earnings and distribute them to shareholders as stock dividends.

JORDAN PHOSPHATE MINES CO. PLC.