

Instructions on the Accounting Principles and Standards Pertaining to the Preparation of Annual and interim Financial Statements for the year 2007. Issued by virtue of Articles 8 and 12 of Securities Law No 76 of the year 2002 and the Board of Commissioners Decision No 727 of 16 December 2007

Article 1: These instructions shall be cited as (the instructions on the Accounting policies and Standards Pertaining to the Preparation of Annual and interim Financial Statements for the year 2007) and they shall come into force on 16th December 2007.

Article 2: These instructions apply to all issuing companies that fall under the supervision of the Securities Commission when preparing their financial statements for the financial year ending on 31 December 2007 and subsequently.

Article 3: Issuing companies shall observe the following policies in preparing their annual as well as interim financial statements:

First: Consolidated financial statements:

1. If the most recent statements issued are consolidated financial statements, all subsequent financial statements shall be consolidated financial statements if the parent company has subsidiary or controlled companies, in conformity with the provisions of International Standards which stipulate the same accounting policy at all times, and not on a selective basis.
2. Consolidated financial statements shall be prepared for the parent company irrespective of the number of subsidiaries or controlled companies and irrespective of the materiality of investments in subsidiaries.
3. Companies are exempted from the requirement of consolidating financial statements that include subsidiary companies when there is objective

evidence that the subsidiary is acquired with the intention to dispose of and that management is actively seeking a buyer or if the parent company itself is wholly-owned subsidiary by another company that prepares consolidated financial statements.

4. Interim and annual consolidated financial statements shall include sufficient disclosures of the parent company's investments in each of the subsidiaries and controlled companies, in implementation of the International Standard Number 28, and to cope with the International standard Number 27. These disclosures shall include:
 - a. The name of the subsidiary or the controlled company and its legal status.
 - b. The capital and owners' equity of the subsidiary or controlled company.
 - c. The controlling interest of the parent company to the total capital of the subsidiary or controlled company.
 - d. The parent company's share of the financial performance of the subsidiary or controlled company using the Equity Method.
 - e. The carrying value of the parent company's investment in subsidiary or controlled companies by using the Equity Method.
 - f. The parent company's share of discontinued operations of the subsidiary using the Equity Method.
 - g. The fair value of the investment in the subsidiary or controlled company if the subsidiary or controlled company is listed and has an available market value.
 - h. Brief financial information regarding subsidiary or controlled companies that include the total assets, liabilities, revenues, profits and loss of the subsidiary or controlled companies, and the material elements of assets and liabilities.

- i. The parent company's share of changes recognized directly in equity of the subsidiary or controlled company.
- j. The parent company's share of contingent liabilities of the subsidiary or controlled company, which the subsidiary or controlled company are liable for with other investors.
- k. The contingent liabilities of the subsidiary or controlled company for which the parent company is legally liable. .

Second: In case there is a subsidiary to the parent company that is subject to the supervision of the Jordan Securities Commission, the income of the parent company from its investments in the subsidiary must be "realized gains " pursuant to these instructions ; otherwise, the unrealized part of the parent company's income from its investment in the subsidiary shall be recorded as " unrealized gains " separately within the " retained earnings " and which shall not be distributed or capitalized.

Third: Disclosure shall be made of the components and details of the material amounts, whether in the Balance Sheet (the Financial Position) or the Income Statement, specially the operational revenues and expenses.

Fourth: All interim and annual financial statements must be comparative financial statements.