



شركة الأمل للاستثمارات المالية م.ع
AL-AMAL FINANCIAL INV. CO

No
Date

الرقم
التاريخ ١٥/٥/2017
2017/٥/١٥

بموجب
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السادة هيئة الأوراق المالية المحترمين

تحية طيبة وبعد ،

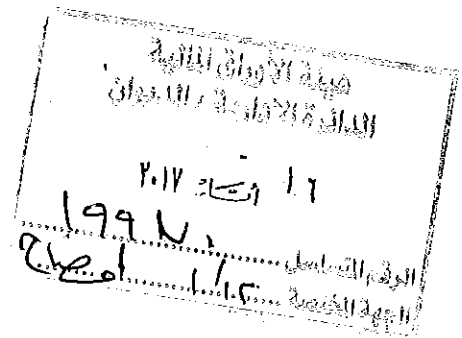
بالإشارة الى كتابكم رقم: س.ب/12/1/1700197 بتاريخ 2017/1/25 ارجو التكرم باستلام

القوائم المالية للسنة المنتهية 2016 والقوائم المالية كما في 2017/3/31 باللغة الانجليزية.

وتفضلوا بقبول فائق الاحترام ،،،

شركة الأمل للاستثمارات المالية

المدير العام
جواد الخاروف





**AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**FINANCIAL STATEMENTS AND INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANT'S REPORT
FOR THE PERIOD ENDED MARCH 31, 2017**

**AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM FINANCIAL STATEMENTS AND REVIEW REPORT
FOR THE PERIOD ENDED MARCH 31, 2017**

| INDEX | PAGE |
|--|-------------|
| Report on reviewing the interim financial statements | 1 |
| Statement of financial position Interim | 2 |
| Interim statement of Comprehensive income | 3 |
| Interim statement of Owner's equity | 4 |
| Interim statement of cash flows | 5 |
| Notes to the Interim financial statements | 6 – 15 |

CERTIFIED PUBLIC ACCOUNTANT'S REPORT

**To the President and Members of the Board of Directors
Al-Amal Financial Investments Company P.L.C**

Report on the Interim Financial Statements

Introduction

We have reviewed the accompanying Interim Statement of Financial Position for Al-Amal Financial Investment Company (P.L.C.) as of March 31, 2017, and the related statements of Interim Comprehensive income, other Comprehensive income, Owners' equity and cash flows for the period then ended. The management is responsible of preparing and presenting company's financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor". This standard requires that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our review is primarily limited to inquiries of the company's accounting and financial departments personnel, as well as applying analytical procedures of financial data. The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards. Accordingly, obtaining assurances and confirmations about other significant aspects checked through an audit procedure was not achievable, Hence, We do not express an opinion regarding the matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not express a true and fair view in accordance with International Accounting Standard No. 34.

Ghosheh & Co.

Sinan Ghosheh
License No.(580)

Amman-Jordan
April 26, 2017

AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017 AND DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

| | Note | 2017 | 2016 |
|--|------|-------------------|-------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | 852,318 | 658,417 |
| Accounts receivable | 4 | 9,302,314 | 8,384,978 |
| Accounts on margin | 5 | 6,289,714 | 6,668,327 |
| Prepaid expenses and other receivables | | 131,753 | 93,600 |
| Total current assets | | 16,576,099 | 15,805,322 |
| Non-current assets | | | |
| Financial assets designated at fair value through other comprehensive income | | 998,297 | 1,023,431 |
| Property and equipment | 7 | 99,498 | 104,498 |
| Deferred tax assets | | 336,000 | 336,000 |
| Total non-current assets | | 1,433,795 | 1,463,929 |
| TOTAL ASSETS | | 18,009,894 | 17,269,251 |
| LIABILITIES AND OWNERS' EQUITY | | | |
| Current liabilities | | | |
| Bank overdraft | | 1,020,942 | 693,393 |
| Accounts payable | 8 | 738,671 | 517,546 |
| Accrued expenses and other liabilities | | 597,776 | 563,969 |
| Total current liabilities | | 2,357,389 | 1,774,908 |
| Owners' equity | | | |
| Share capital | | 15,000,000 | 15,000,000 |
| Statutory reserve | | 1,507,775 | 1,507,775 |
| Fair value reserve | | (2,115,863) | (2,090,729) |
| Retained earnings | | 1,260,593 | 1,077,297 |
| Total owners' equity | | 15,652,505 | 15,494,343 |
| TOTAL LIABILITIES AND OWNERS' EQUITY | | 18,009,894 | 17,269,251 |

The accompanying notes are an integral part of these financial statements

**AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**STATEMENTS OF COMPREHENSIVE INCOME(UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)**

| | Note | For the three months ended March 31, 2017 | For the three months ended March 31, 2016 |
|---|------|---|---|
| Revenues: | | | |
| Brokerage commissions | | 187,570 | 168,165 |
| Margin accounts commissions | | 24,744 | 124,573 |
| Margin Finance interests and interests revenue | | 162,261 | 201,418 |
| Realized Gain/(losses) from sell of financial assets designated at fair value through statement of comprehensive income | | 78 | (42) |
| Unrealized losses on financial assets designated at fair value through statement of comprehensive income | | - | (314) |
| Net Revenue | | 374,653 | 493,800 |
| Expenses: | | | |
| Salaries ,wages and related other | | (71,109) | (68,511) |
| Stock exchange fees | | (10,795) | (14,226) |
| Financial charges | | (15,481) | (8,731) |
| General and administrative expenses | | (36,114) | (46,851) |
| Total Expenses | | (133,499) | (138,319) |
| Income Before Tax | | 241,154 | 355,481 |
| Income Tax | 9 | (57,858) | (85,556) |
| INCOME FOR THE PERIOD | | 183,296 | 269,925 |
| The other comprehensive income: | | | |
| Change in fair value reserve | | (25,134) | (4,800) |
| Total of the comprehensive income for the period | | 158,162 | 265,125 |
| Earning pershare | | 0.012 | 0.018 |
| Earning pershare- JD/share | | 15,000,000 | 15,000,000 |
| Outstanding weighted average share | | 15,000,000 | 15,000,000 |

The accompanying notes are an integral part of these financial statements

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AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF OWNERS' EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

| | Share capital | Statutory reserve | Fair value reserve | Retained earnings | Total Owners' equity |
|----------------------------|---------------|-------------------|--------------------|-------------------|----------------------|
| Balance at January 1, 2017 | 15,000,000 | 1,507,775 | (2,090,729) | 1,077,297 | 15,494,343 |
| Comprehensive income | - | - | (25,134) | 183,296 | 158,162 |
| Balance at March 31, 2017 | 15,000,000 | 1,507,775 | (2,115,863) | 1,260,593 | 15,652,505 |
| Balance at January 1, 2016 | 15,000,000 | 1,426,186 | (1,941,454) | 1,316,267 | 15,800,999 |
| Comprehensive income | - | - | (4,800) | 269,925 | 265,125 |
| Balance at March 31, 2016 | 15,000,000 | 1,426,186 | (1,946,254) | 1,586,192 | 16,066,124 |

The accompanying notes are an integral part of these financial statements

AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF CASH FLOWS(UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

| | For the three months ended March 31, 2017 | For the three months ended March 31, 2016 |
|---|--|--|
| OPERATING ACTIVITIES | | |
| Income before tax | 241,154 | 355,481 |
| Adjustments on income before tax | | |
| Depreciation | 5,250 | 4,137 |
| Unrealized losses on financial assets designated at fair value through statement of comprehensive income | - | 314 |
| Realized Gain/(losses) from sell of financial assets designated at fair value through statement of comprehensive income | (78) | 42 |
| Financial charges | 15,481 | 8,731 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (917,336) | (877,635) |
| Accounts on margin | 378,613 | (1,235,617) |
| Change in financial assets designated at fair value through statement of comprehensive income | - | 1,298 |
| Prepaid expenses and other receivables | (38,153) | (42,499) |
| Accounts payable | 221,125 | 480,923 |
| Accrued expenses and other liabilities | (24,051) | (97,991) |
| Cash used in operating activities | (117,995) | (1,402,816) |
| Financial charge paid | (15,481) | (8,731) |
| Net cash used in operating activities | (133,476) | (1,411,547) |
| INVESTING ACTIVITIES | | |
| Realized Gain from sell of financial assets designated at fair value through statement of comprehensive income | (250) | (89,357) |
| property and equipment purchases | 78 | - |
| Net cash used in investing activities | (172) | (89,357) |
| FINANCING ACTIVITIES | | |
| Financing form Banks | 327,549 | 1,072,980 |
| Net cash available from financing activities | 327,549 | 1,072,980 |
| Net change in cash and cash equivalents | 193,901 | (427,924) |
| Cash and cash equivalents, Januaray 1 | 658,417 | 1,578,179 |
| Cash and cash equivalents, March 31 | 852,318 | 1,150,255 |

The accompanying notes are an integral part of these financial statements

**AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)**

1. ORGANIZATION AND ACTIVITIES

Al-Amal Financial Investments Company is a Jordanian public shareholding Company ("the Company"), registered on October 17, 2005 under Commercial registration number (370). The Company's share capital is JD 15,000,000 divided into 15,000,000 shares, the par value is one JD per share.

The main activity of the company is the commissioning of a commission broker's business, dealing with securities for its own account, providing financial advice, leasing and mortgage of transferred and untransferred property for the purposes of the company and borrowing from banks, buying, renting, renting, pledging and importing any transferred and untransferred property or any rights or privileges deemed necessary by the company Or suitable for their purposes, including land, buildings, machinery, means of transport or goods, and to establish, assess, act and make the necessary changes in buildings when necessary or appropriate for the purposes and objectives of the company.

The Company's headquarter is in Amman.

2- NEW AND REVISED STANDARDS AND AMENDMENTS TO IFRSs IN ISSUE BUT NOT YET EFFECTIVE:-

The following new standards and amendments to the standards have been issued but are not yet effective and the Company intends to adopt these standards, where applicable, when they become effective.

| <u>New Standards</u> | <u>Effective Date</u> |
|---|-----------------------|
| (IFRS) No.9 – Financial Instruments | January 1, 2018 |
| (IFRS) No.15 – Revenue from Contract with Customers | January 1, 2018 |
| (IFRS) No.16 – Leases | January 1, 2019 |

Board of directors of the Company is expected that the application of these standards and interpretations will not have a substantial impact on the company's financial statements.

AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The interim financial statements are presented in Jordanian Dinar, since that is the currency in which the majority of the Company's transactions are denominated.

The interim financial statements have been prepared on historical cost basis.

The interim statements do not include all the information and notes needed in the annual financial statements and must be reviewed with the ended financial statement at December 31, 2016, in addition to that the result for the three months ended in march 31, 2017 is not necessarily to be the expected results for the financial year ended December 31, 2017.

The accompanying financial statements have been prepared in accordance with the International Financial Reporting Standards.

Financial assets designated at fair value through statement of comprehensive income

Financial assets are classified as at fair value through statement of income when either the financial asset is held for trading or it is designated as at fair value through statement of income .A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through statement of income upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at fair value through statement of income.

Financial assets at fair value through statement of income are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the income statement.

**AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)**

Financial assets designated at fair value through statement of other comprehensive income

Specific financial assets at fair value through statement of other comprehensive income are non-derivative financial assets, the purpose of the acquisition is to keep them as available for sale until the date of maturity, not for trading.

Differences in the change in fair value of financial assets specified at fair value through other comprehensive income statement are recorded in other comprehensive income statement.

Financial assets specified at fair value through statement of other comprehensive income that is do not have a market prices stated at fair value after deducting any accumulated Impairment losses in its fair value.

Financial assets specified at fair value through statement of other comprehensive income that is do not have a market prices and cannot determine the fair value stated at cost and any Decline in its value recorded in other comprehensive income statement.

Profits and losses resulting from differences of foreign currency translation for the debt instruments are recorded within the financial assets specified at fair value through other comprehensive income statement in the statement of other comprehensive income, while differences from foreign currency translation for the debt instruments are recorded in the accumulated change in fair value in owners' equity.

Revenues

Revenue from brokerage commissions is recognized when the service is rendered and the sales and / or purchase invoice is issued to the customer.

Expenses

Expenses are recognized in the statement of comprehensive income in accordance with their nature and consist mainly of the costs incurred on salaries, wages and related expenses, the expenses of the Securities deposit centre, financial expenses and commission paid for the sale of the company's services. Other expenses are classified and reported as administrative and operating expenses

Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, and highly liquid investments with original maturities of three months or less and which are not exposed to a significant risk of value change.

Accounts receivable

Accounts receivable are stated at the fair value of the consideration given and are carried at amortized cost after provision for doubtful debts.

Accounts payable and accruals

Accounts payable are recognized against the value of obligation for services or goods received, whether billed or not billed by the supplier.

Financial assets at amortized cost

Financial instruments such as notes receivable, receivables, finance lease payments, bank loans, loans and other securities and expenses due to others are stated at amortized cost using the effective yield method after any impairment loss has been deducted.

**AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)**

The Decline in value of the financial assets

In date of each statement of financial position, values of the financial assets have been reviewed, to determine if there indication to decline in its value

As for the financial assets such as trade accounts receivable and assets was evaluated as individual low-value, where evaluated for the decline in the value on a collective basis. The substantive evidence for decline in portfolio of the accounts receivable includes the past experience about the collection of payments. And the increase in the number of the late payments portfolio (which it's beyond the rate of borrowing) also it includes the significant changes in the international and local economic conditions that are related with non-collection of accounts payable.

The Reduce in the listed value of the financial assets is the amount of loss decline of value directly. And this is for all the financial assets except the trade accounts receivable as the listed value have been reduced by provisions accounts. When is one of the accounts receivables are non-collected then write off the amount of this debt and the equal amount from account of the provisions.

The changes in the listed value for the provisions account are recognized in comprehensive income.

As for the ownership equity tools which are available for sale, decline losses are not closed in the recognized value in the profit and loss statement. However, any increase in the fair value becomes after decline loss has recognized directly in shareholder's equity statement.

De-recognition

The Company cancels the recognition of financial assets only when the contractual rights about receipt of cash flows from the financial assets had ended. Substantially all the risks and benefits of the ownership to another firm. In the case of the company doesn't transfer on retain substantially risks or benefits of the ownership and continue in control of the transferred assets, the company in this case recognize it's share retained in the transferred assets and the related liabilities in the limits of the amounts excepted to be paid . In the other case, when the company retained substantially all risks and benefits of owner ship of the transferred assets, the company will continue to recognize of the financial assets.

The decline in value of the non-current assets

The decline in value of the non-current assets In the date of each balance sheet the company review the listed values for its assets to specify if there is an indication to be decline losses of the value. If there indication to that, the recovery value of the asset will be appreciated to determine the loss of decline in the value if it be. In case, in ability to appreciate the recovery value of specific asset. The Company estimate the recovery value for unit producing of cash that related in the same asset. when there is ability to determine basis of distribution that is fixed and reasonable, the joint assets distribute to units producing of cash that related in the same asset. when there is ability to determine basic of distribution that is fixed and reasonable , the joint assets distribute to specific units producing of cash or it distribute to smallest group from units producing cash that it able to determine basic of distribution fixed and reasonable for it.

The Net realizable value is the fair value of asset minus the cost of sale or used value whichever is higher.

In case, the recovery value (or the unit producing of cash) distribute lower than the listed value, reduce the listed value for asset (or unit producing of cash) to the recovery value. Losses of the decline recognize directly in the income statement except the asset that is reevaluation then record losses of the decline as reduction from re-evaluation provision

AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditures on maintenance and repairs are expensed. While expenditures for betterment are capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method. The estimated rates of depreciation of the principal classes of assets are as follows:

| | <u>Annual depreciation rate</u> |
|------------------------|---------------------------------|
| Furniture | 10% |
| Machines and equipment | 9-15% |
| Decorations | 20% |
| Computer programs | 25% |
| Vehicles | 15% |

Useful lives and the depreciation method are reviewed periodically to make sure that the method and amortization period appropriate with the expected economic benefits of property and equipment.

Impairment test is performed to the value of the property and equipment that appears in the Statement of Financial Position When any events or changes in circumstances shows that this value is non-recoverable.

In case of any indication to the low value, impairment losses are calculated according to the policy of the low value of the assets

At the exclusion of any subsequent property and equipment recognize the value of gains or losses resulting. Which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the Statement of Financial Position. Gross Profit and loss.

Provisions

The provisions had been formed, when the company has a present obligation (legal or expected) from past events which its cost of repayment consider accepted and it has ability to estimate it reliably.

The provision had been measured according to the best expectations of the required alternative to meet the obligation as of the balance sheet date after considering the risks and not assured matters about the obligation. When the provision had been measured with the estimated cash flows to pay the present obligation, then the accounts receivable had been recognized as asset in case of receipt and replacement of the amount is certain and it able to measure the amount reliably.

The use of estimation

The preparation of financial statements and the application of accounting policies required of the Company's management to make estimates that affect the amounts of financial assets and liabilities and disclosure of contingent liabilities, these estimates also affect the revenues, expenses and provisions.

As well as changes in fair value that appears in the owners' equity

In particular, required of the company's management to issue important judgments to estimate the amounts of future cash flows and its times Mentioned that the estimates are shown necessarily on the assumptions and multiple factors have a varying degree of appreciation and uncertainty and that actual result may differ from estimates As a result of changes resulting about the conditions and circumstances of these estimates in the future

Segment reporting

A business is a group of assets and processes that jointly engage in the rendering of products or services that are subject to risks and rewards that differ from those of other business segments and which are measured according to reports used by the executive manager and the chief decision maker.

The geographical segment is associated with the provision of products in a specific economic environment that are subject to risks and rewards that differ from those business segments in economic environments.

**AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)**

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the statement of financial position only when there are legal rights to offset the recognized amounts, the Company intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

Income Tax and deferred taxes

The Company is subject to Income Tax Law, its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income, According to International Accounting Standard No. (12), the Company may have deferred taxable assets resulting from the differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the periodic financial statements since it's immaterial.

Deferred taxes are the taxes expected to be paid or recovered as a result of temporary differences in the value of assets or liabilities in the financial statements and the amount for which the tax is calculated. Taxes are accounted for using the liability method. Deferred taxes are recognized in accordance with the tax rates expected to be applied when the tax liability is settled or the deferred tax asset is realized.

Leasing

Leasing are classified as capital lease whenever the terms of the transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental payable under operating leases are changed to income on a straight-line basis over the term of the operating lease.

4. ACCOUNTS RECEIVABLE

| | March, 31 2017 | December,31 2016 |
|---|-----------------------|-------------------------|
| Account receivables | 10,702,314 | 8,863,708 |
| Due from related parties (Note – 6/B) | - | 921,270 |
| Accounts receivable impairment provision* | (1,400,000) | (1,400,000) |
| | 9,302,314 | 8,384,978 |

*Change in accounts receivable impairment provision, as follow:

| | March, 31 2017 | December,31 2016 |
|-----------------------------------|-----------------------|-------------------------|
| Balance at January 1 | 1,400,000 | 1,275,000 |
| impairment provision for the year | - | 125,000 |
| Balance at December 31 | 1,400,000 | 1,400,000 |

5. ACCOUNTS ON MARGIN

| | March, 31 2017 | December,312016 |
|---------------------------------------|-----------------------|------------------------|
| Financing receivables on margin | 6,012,352 | 6,514,803 |
| Due from related parties (Note – 6/C) | 277,362 | 153,524 |
| | 6,289,714 | 6,668,327 |

AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

6. RELATED PARTIES TRANSACTIONS

(A) The Company has made transactions with the following related party:

| NAME | RELATIONSHIP |
|----------------------------------|---|
| Mr.Raed Abed Al Rahman Al Kaluti | Chief Executive manager |
| Mr. Jawad Adnan Al Kharouf | Member of the Board of Directors& General manager |
| Mr. Amer Ibrahim Mu'asher | Member of the Board of Directors |
| Mr. Fadel Jaseem Al Dabas | Chief Executive manager (Former) |
| Mr.Othman Mohammad Ali Bdeer | Chief Executive manager (Former) |
| Bostan Agricultural Co. | Member of the Board of Directors (Former) |
| Al Samed Multiple industries | Member of the Board of Directors (Former) |

(B) Due from related parties as at March 31 2017 and December 31 2016 as follows (Note –4):-

| | March, 31 2017 | December,312016 |
|---------------------------|-----------------------|------------------------|
| Mr. Fadel Jaseem Al Dabas | - | 921,270 |
| | - | 921,270 |

(C) Due from related parties for financing on margin as at March 31 2017 and December 31 2016 as follows (Note –5):-

| | March, 31 2017 | December,312016 |
|----------------------------------|-----------------------|------------------------|
| Mr. Jawad Adnan Al Kharouf | 82,874 | 81,199 |
| Mr. Fadel Jaseem Al Dabas | - | 72,325 |
| Mr.Raed Abed Al Rahman Al Kaluti | 94,627 | - |
| Mr. Amer Ibrahim Mu'asher | 99,861 | - |
| | 277,362 | 153,524 |

(D) Due to related parties as at March 31 2017 and December 31 2016 as follows (Note –8):-

| | March, 31 2017 | December,312016 |
|----------------------------------|-----------------------|------------------------|
| Mr.Raed Abed Al Rahman Al Kaluti | 146 | 6,475 |
| Bostan Agricultural Co. | - | 16,367 |
| | 146 | 22,842 |

(H) Due to related parties for financing on margin as at March 31 2017 December 31 2016 as follows (Note –8):-

| | March, 31 2017 | December,312016 |
|----------------------------------|-----------------------|------------------------|
| Mr.Raed Abed Al Rahman Al Kaluti | - | 487 |
| | - | 487 |

**AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)**

7. PROPERTY AND EQUIPMENT

| | March 31, 2017 | December 31, 2016 |
|---------------------------------|----------------|-------------------|
| Cost: | | |
| Balance in the first period | 293,064 | 271,941 |
| Additions | 250 | 99,373 |
| Disposals | - | (78,250) |
| Balance at end of period | 293,314 | 293,064 |
| Balance in the first period | 188,566 | 246,830 |
| Depreciation | 5,250 | 19,986 |
| Disposals | - | (78,250) |
| Balance at end of period | 193,816 | 188,566 |
| | | |
| Net book value | 99,498 | 104,498 |

8. ACCOUNTS PAYABLE

| | March 31, 2017 | December 31, 2016 |
|---|----------------|-------------------|
| Accounts payable | 738,525 | 494,217 |
| Due to related parties (Note – 6/D & H) | 146 | 23,329 |
| | 738,671 | 517,546 |

9. INCOME TAX

Income tax was reviewed until 2014 by the Income and Sales Tax Department and for the year 2015 and 2016, was submitted and not reviewed by the Department Until the date of preparing the financial statements of the company.

**AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)**

10. FINANCIAL INSTRUMENTS

The Fair Value

The fair value of financial assets and financial liabilities include financial assets; cash and cash equivalents, checks under collection, receivables, securities, and include financial liabilities; accounts payable, credit facilities, loans, credits and other financial liabilities.

First level: The market prices stated in active markets for the same financial instruments.

Second Level: Assessment methods depend on the input affect the fair value and can be observed directly or indirectly in the market.

Third Level: Valuation techniques based on inputs affect the fair value cannot be observed directly or indirectly in the market.

| <u>December 31, 2016</u> | <u>level one</u> | <u>Second Level</u> | <u>Third level</u> | <u>Total</u> |
|---|------------------|---------------------|--------------------|----------------|
| Financial assets designated at fair value through statement of comprehensive income | - | - | - | - |
| Financial assets designated at fair value through statement of other comprehensive income | 998,297 | - | - | 998,297 |
| | <u>998,297</u> | <u>-</u> | <u>-</u> | <u>998,297</u> |

| <u>December 31, 2015</u> | <u>level one</u> | <u>Second Level</u> | <u>Third level</u> | <u>Total</u> |
|---|------------------|---------------------|--------------------|------------------|
| Financial assets designated at fair value through statement of comprehensive income | - | - | - | - |
| Financial assets designated at fair value through statement of other comprehensive income | 1,023,431 | - | - | 1,023,431 |
| | <u>1,023,431</u> | <u>-</u> | <u>-</u> | <u>1,023,431</u> |

The value set out in the third level reflect the cost of buying these assets rather than its fair value due to the lack of an active market for them, this is the opinion of Directors that the purchase cost is the most convenient way to measure the fair value of these assets and that there was no impairment.

Management of share capital risks

The Company manages its capital to make sure that the Company will continue when it takes the highest return by the best limit for debts and owners equity balances. The Company's strategy doesn't change from 2016.

Structuring of Company's capital includes debt which includes borrowing, and the owners' equity in the Company which includes share capital, statutory reserve, partners' current account and accumulated losses as it listed in the changes in owners' equity statement.

**AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)**

The debt rate

The board of directors is reviewing the share capital structure periodically, as a part of this reviewing, the board of directors consider the cost of share capital and the risks that is related in each faction from capital and debt factions. The Company capital structure includes debts from borrowing. The Company's doesn't determine the highest limit of the debt rate during 2017.

The management of the financial risks

The Company's activities might be exposing mainly to the followed financial risks:

Management of the foreign currencies risks

The company is not exposed to significant risks related to foreign currency price changes, so there is no need to effective management for this exposure.

Interest rate risk

The Company is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits, interest bearing loans and borrowings).

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Company's profit for one year, and it is calculated based on the financial liabilities which carry variable interest rates at the end of the year.

Other price risk

The Company exposes to price risks resulting from its investments in owners' equity to other companies. The Company keeps investments in other company's owner's equity for strategic purposes and not for trading purposes.

The Company has no trading activity in those investments.

Credit risk management

The credit risks represent in one part of the financial instruments contracts has not obligated to pay the contractual obligations and cause of that the Company is exposing financial losses, However, there are no any contracts with any other parts so the Company doesn't expose to different types of the credit risks, The significant credit exposed for any parts or group of parts that have a similar specification have been disclosed in note No.6. The Company classified the parts which have similar specifications as a related parties. Except the amounts which are related in the cash money. The credits risks that are resulting from the cash money are specific because the parts that are dealing with it are local banks have good reputations and have been controlled from control parties.

Liquidity risk

Are the risks of inability to pay the financial obligations that were settled by receiving cash or another financial assets.

Liquidity risk management by control on cash flows and comparing them with maturities of assets and financial liabilities.

11. APPROVAL OF FINANCIAL STATEMENTS

The interim financial statements were approved by the Directors and authorized for issuance on April 26, 2017.