

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

**INTERIM FINANCIAL STATEMENTS AND
REVIEW REPORT
FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

(PUBLIC SHAREHOLDING COMPANY)

**INTERIM FINANCIAL STATEMENTS AND REVIEW REPORT
FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

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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 September 30, 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
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**AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMAPNY)**

**INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017 AND DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)**

ASSETS			
Current assets			
Cash and cash equivalents		542,596	658,417
Accounts receivable	4	8,889,152	8,384,978
Accounts on margin	5	6,435,734	6,668,327
Prepaid expenses and other receivables		124,432	93,600
Total current assets		15,991,914	15,805,322
Non-current assets			
Financial assets designated at fair value through other comprehensive income		1,038,917	1,023,431
Property and equipment	7	91,678	104,498
Deferred tax assets		228,000	336,000
Total non-current assets		1,358,595	1,463,929
TOTAL ASSETS		17,350,509	17,269,251
LIABILITIES AND OWNERS' EQUITY			
Current liabilities			
Bank overdraft		1,064,888	693,393
Accounts payable	8	411,318	517,546
Accrued expenses and other liabilities		432,787	563,969
Total current liabilities		1,908,993	1,774,908
Owners' equity			
Share capital	1	15,000,000	15,000,000
Statutory reserve		1,507,775	1,507,775
Fair value reserve		(2,110,692)	(2,090,729)
Retained earnings		1,044,433	1,077,297
Total owners' equity		15,441,516	15,494,343
TOTAL LIABILITIES AND OWNERS' EQUITY		17,350,509	17,269,251

The accompanying notes are an integral part of these financial statements

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

**INTERIM STATEMENTS OF COMPREHENSIVE INCOME(UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017
(EXPRESSED IN JORDANIAN DINAR)**

From the period		From the beginning of the year to	
JULY 1,2017	JULY 1,2016	SEPTEMBER	SEPTEMBER
till	till	30,2017	30, 2016

	SEPTEMBER 30,2017	SEPTEMBER 30,2016		
Revenues:				
Brokerage commissions	116,557	136,691	441,367	404,511
Margin accounts commissions	10,327	16,898	47,591	200,147
Margin finance interests and interests revenue	171,339	169,258	503,358	584,371
Realized gains / (losses) from sales of financial assets designated at fair value through statement of comprehensive income	-	-	484	(315)
Dividend distributed	-	138	-	138
Other revenue and expenses	1,497	15	1,538	22,374
Net Revenue	299,720	323,000	994,338	1,211,226
Expenses:				
Salaries ,wages and other	(74,743)	(72,709)	(242,623)	(239,616)
Stock exchange fees	(6,677)	(8,777)	(30,729)	(34,428)
Bad debts	(450,000)	-	(450,000)	-
Financial charges	(21,884)	(6,638)	(57,843)	(28,780)
General and administrative expenses	(42,194)	(57,586)	(114,802)	(146,584)
Allowance for doubtful account return	450,000	-	450,000	-
Total Expenses	(145,498)	(145,710)	(445,997)	(449,408)
Income before Tax	154,222	177,290	548,341	761,818
Income Tax	70,629	(43,252)	(23,727)	(184,373)
Amortization of deferred tax assets	(108,000)	-	(108,000)	-
INCOME FOR THE PERIOD	116,851	134,038	416,614	577,445
The other comprehensive income:				
Realized Gain from sales of financial assets designated at fair value through statement of other comprehensive income	-	-	522	-
Total other comprehensive income transfered to retained earnings	116,851	134,038	417,136	577,445
Change in fair value reserve	22,354	(127,625)	(19,963)	(235,984)
Total of the comprehensive income for the period	139,205	6,413	397,173	341,461
Earning pershare				
Earning pershare- JD/ share	0,008	0,009	0,028	038
Outstanding weighted avevage share	15,000,000	15,000,000	15,000,000	15,000,000

The accompanying notes are an integral part of these financial statements

AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF OWNERS' EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 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
Dividend paid	-	-	-	(450,000)	(450,000)
Comprehensive income	-	-	(19,963)	417,136	397,173
Balance at September 30, 2017	15,000,000	1,507,775	(2,110,692)	1,044,433	15,441,516
Balance at January 1, 2016	15,000,000	1,426,186	(1,941,454)	1,316,267	15,800,999
Dividend paid	-	-	-	(750,000)	(750,000)
Comprehensive income	-	-	(235,984)	577,445	341,461
Balance at September 30, 2016	15,000,000	1,426,186	(2,177,438)	1,143,712	15,392,460

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 SEPTEMBER 30, 2017
(EXPRESSED IN JORDANIAN DINAR)

	For the nine months ended September 30, 2017	For the nine months ended September 30, 2016
OPERATING ACTIVITIES		
Income before tax	548,863	761,818
Adjustments on income before tax :		
Depreciation	16,100	14,841
Realized Gain/(losses) from sell of financial assets designated at fair value through statement of comprehensive income	(484)	315
Realized gain on financial assets designated at fair value through statement of other comprehensive income	(522)	-
Financial charges	57,843	28,780
Changes in operating assets and liabilities:		
Accounts receivable	(504,174)	(1,085,336)
Accounts on margin	232,593	176,413
Prepaid expenses and other receivables	(30,832)	(13,912)
Accounts payable	(106,228)	129,150
Accrued expenses and other liabilities	(154,909)	(282,202)
Cash available from /(used in) operating activities	58,250	(270,133)
Financial charge paid	(57,843)	(28,780)
Net Cash available from /(used in) operating activities	407	(298,913)
INVESTING ACTIVITIES		
Change in Financial assets designated at fair value through other comprehensive income	(34,927)	-
Change in Financial assets designated at fair value through comprehensive income	484	4,031
Property and equipment purchases	(3,280)	(93,570)
Net cash used in investing activities	(37,723)	(89,539)
FINANCING ACTIVITIES		
Banks overdraft	(450,000)	(750,000)
Dividend paid	371,495	356,911
Net cash used in financing activities	(78,505)	(393,089)
Net change in cash and cash equivalents	(115,821)	(781,541)
Cash and cash equivalents, January 1	658,417	1,578,179
Cash and cash equivalents, September 30	542,596	796,638

The accompanying notes are an integral part of these financial statements

AL-AMAL FINANCIAL INVESTMENTS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 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
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED SEPTEMBER 30, 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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017
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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 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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017
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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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017
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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.

15In 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
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017
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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

	<u>2017</u>	<u>2016</u>
Account receivables	10,289,152	9,784,978
Accounts receivable impairment provision*	(1,400,000)	(1,400,000)
	8,889,152	8,384,978

*Change in accounts receivable impairment provision, as follow:

	<u>2017</u>	<u>2016</u>
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

	<u>2017</u>	<u>2016</u>
Financing receivables on margin	5,959,402	6,119,307
Due from related parties (Note – 6/B)	476,332	549,020
	6,435,734	6,668,327

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED SEPTEMBER 30, 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. Omar Akram Al Bitar	Member of the Board of Directors
Mr. Khalil Yacoub Fakhoury	Member of the Board of Directors

(B) Due from related parties for financing on margin as at SEPTEMBER 30 2017 and December 31 2016 as follows (Note –5):-

	2017	2016
Mr. Jawad Adnan Al Kharouf	125,498	81,199
Mr. Amer Ibrahim Mu'asher	321,743	467,821
Mr.Raed Abed Al Rahman Al Kaluti	29,091	-
	476,332	549,020

(C) Due to related parties as at SEPTEMBER 30 2017 and December 31 2016 as follows (Note –8):-

	2017	2016
Mr.Raed Abed Al Rahman Al Kaluti	327	6,475
	327	6,475

(D) Due to related parties for financing on margin as at SEPTEMBER 30 2017 December 31 2016 as follows (Note –8):-

	2017	2016
Mr.Raed Abed Al Rahman Al Kaluti	-	487
	-	487

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
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7. PROPERTY AND EQUIPMENT

	<u>SEPTEMBER30, 2017</u>	December 31 , 2016
Cost:		
Balance in the first period	293,064	271,941
Additions	3,280	99,373
Disposals	-	(78,250)
Balance at end of period	296,344	293,064
Balance in the first period	188,566	246,830
Depreciation	16,100	19,986
Disposals	-	(78,250)
Balance at end of period	204,666	188,566
Net book value	91,678	104,498

8. ACCOUNTS PAYABLE

	<u>SEPTEMBER 30, 2017</u>	December 31 , 2016
Accounts payable	410,991	510,584
Due to related parties (Note – 6/C & D)	327	6,962
	411,318	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
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NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED SEPTEMBER 30, 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.

SEPTEMBER 30, 2017	level one	Second Level	Third level	Total
Financial assets designated at fair value through statement of comprehensive income	-	-	-	-
Financial assets designated at fair value through statement of other comprehensive income	1,038,917	-	-	1,038,917
	1,038,917	-	-	1,038,917
December 31, 2016	level one	Second Level	Third level	Total
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
	1,023,431	-	-	1,023,431

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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED SEPTEMBER 30, 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