

المهنية

Date: 15/5/2017

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الشركة المهنية للاستثمارات العقارية والاسكان م.ع.م
Almehanyia for Real Estate Investments & Housing Co. P.L.C.

لا يوجد
البيانات
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To: Jordan Securities Commission
Amman Stock Exchange

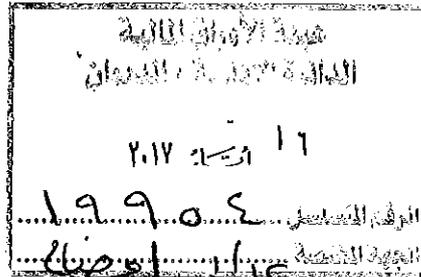
Subject: Audited Financial Statements for the Fiscal Year ended 31/12/2016

Attached the Audited Financial Statements of (Almehanyia Real Estate Investments and Housing Co. P.L.C.) for the fiscal year ended 31/12/2016.

Kindly accept our high appreciation and respect

/ Chairman

Eng. Abdullah Obidat



Rima

**Almehanya For Real Estate Investments & Housing Co.
Public Shareholding Company**

**Consolidated Financial Statements as at 31 December 2016
Together With
Independent Auditor's Report**

**Arab Professionals
(Member firm within Grant Thornton International Ltd)**

**Almehanya For Real Estate Investments & Housing Co.
Public Shareholding Company**

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INDEPENDENT AUDITOR'S REPORT

- To The Shareholders of
- Almejanya For Real Estate Investments & Housing Co.
Public Shareholding Company
Amman - Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Almejanya For Real Estate Investments & Housing Co. PLC, which comprise the consolidated statement of financial position as at 31 December 2016, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Hashemite Kingdom of Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For matter below, our description of how our audit addressed the matter is provided in that context.

(1) Cost of Sold Real Estates

The cost of sold real estates is determined by management based on the overall gross profit percentage expected to be realized from the sale of each project. As the expected gross profit percentage is dependent on the management's estimates, determining its reasonableness is considered a key audit matter. The audit procedures performed by us to address this key audit matter included assessing the reasonableness of the management's estimates based on the actual revenues and expenses realized by each project up to the year end plus the expected revenues and expenses for the remaining part of the project as determined by the Company's management.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

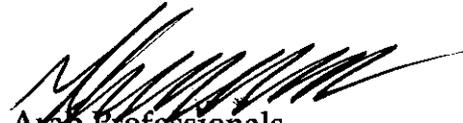
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records and the accompanying consolidated financial statements are in agreement therewith and with the financial data presented in the Board of Directors' report and we recommend the General Assembly to approve it.

26 February 2017
Amman - Jordan



Arab Professionals

Ibrahim Hammoudeh

(License No. 606)



Arab Professionals
Grant Thornton

Almehanya For Real Estate Investments & Housing Co.
Public Shareholding Company
Consolidated Statement of Financial Position
As at 31 December 2016
(In Jordanian Dinar)

Assets	Notes	2016	2015
Non - Current Assets			
Investment properties	3	937,238	957,560
Property and equipment	4	15,320	22,923
Long term accounts receivable		213,405	231,928
Long term checks under collection	5	627,575	330,081
Total Non - Current Assets		<u>1,793,538</u>	<u>1,542,492</u>
Current Assets			
Lands held for sale	6	20,045,427	18,565,590
Properties held for sale	7	9,964,692	11,519,334
Other current assets	8	195,355	154,668
Accounts receivable		728,357	520,982
Amounts due from related parties		-	1,510,683
Advance payments to contractors		48,378	3,323
Checks under collection	5	561,875	244,178
Financial assets at fair value through statement of profit or loss	9	2,853,177	3,141,763
Deposits at Islamic bank	10	3,720,852	2,355,357
Cash and cash equivalents	11	1,994,498	2,470,707
Total Current Assets		<u>40,112,611</u>	<u>40,486,585</u>
Total Assets		<u>41,906,149</u>	<u>42,029,077</u>
Equity and Liabilities			
Equity			
	12		
Paid - in capital		35,200,000	35,200,000
Statutory reserve		321,696	217,312
Shares owned by subsidiary company		(582,730)	(582,730)
Retained earnings		1,107,041	1,412,460
Equity attributable to the owners of the company		<u>36,046,007</u>	<u>36,247,042</u>
Non - controlling interests		2,568,440	2,812,272
Total Equity		<u>38,614,447</u>	<u>39,059,314</u>
Liabilities			
Current Liabilities			
Amounts due to shareholders		1,949,184	2,180,886
Provision for sold real estate development	13	663,345	225,808
Amounts due to related parties	20	345,512	-
Deferred revenues	14	16,590	346,223
Claims and contractors retentions		14,266	57,796
Other liabilities	15	302,805	159,050
Total Current Liabilities		<u>3,291,702</u>	<u>2,969,763</u>
Total Equity and Liabilities		<u>41,906,149</u>	<u>42,029,077</u>

"The accompanying notes from (1) to (25) are an integral part of these consolidated financial statements"

Almehanya For Real Estate Investments & Housing Co.
Public Shareholding Company
Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2016

(In Jordanian Dinar)

	Notes	2016	2015
Properties sales		5,079,238	3,252,118
Properties cost of sales		(3,799,392)	(2,509,539)
Gross profit		1,279,846	742,579
Real estate rent revenues, net	16	34,386	19,567
Morabaha income		114,476	191,485
Dividends		127,674	113,821
Administrative expenses	17	(443,144)	(545,681)
Marketing expenses	18	(86,759)	(102,990)
Management and maintenance real estate expenses	19	(135,899)	(102,496)
Realized gain (loss) from sale of financial assets through profit or loss		14,139	(15,072)
Change in fair value of financial assets at fair value through profit or loss		124,007	(181,035)
Brokerage commission		(2,304)	(935)
Company's share from associate company operations		-	(11,436)
Loss from sales of associate company		-	(10,812)
Other revenues		4,020	-
Board of directors remuneration		(45,000)	-
Profit before income tax		985,442	96,995
Income tax	23	(160,772)	(69,021)
Comprehensive income for the year		824,670	27,974
Attributable :			
Shareholders of the company		838,753	43,373
Non - controlling interest		(14,083)	(15,399)
		824,670	27,974
Basic and diluted earnings per share	21	0.024	0.001

"The accompanying notes from (1) to (25) are an integral part of these consolidated financial statements"

Almehanya For Real Estate Investments & Housing Co.
Public Shareholding Company
Consolidated Statement of Changes in Equity for the Year Ended 31 December 2016
(In Jordanian Dinar)

	Paid - in Capital	Statutory Reserve	Shares Owned By Subsidiary Company	Retained Earnings*	Total Shareholders Equity	Non - Controlling Interests	Total Equity
Balance at 1 January 2016	35,200,000	217,312	(582,730)	1,412,460	36,247,042	2,812,272	39,059,314
Total comprehensive income for the year	-	-	-	838,753	838,753	(14,083)	824,670
Statutory reserve	-	104,384	-	(104,384)	-	-	-
Dividends	-	-	-	(1,039,788)	(1,039,788)	-	(1,039,788)
Non - controlling interest	-	-	-	-	-	(229,749)	(229,749)
Balance at 31 December 2016	35,200,000	321,696	(582,730)	1,107,041	36,046,007	2,568,440	38,614,447
Balance at 1 January 2015	44,000,000	206,073	(717,832)	1,380,326	44,868,567	3,059,686	47,928,253
Decrease in capital	(8,800,000)	-	-	-	(8,800,000)	-	(8,800,000)
Total comprehensive income for the year	-	-	-	43,373	43,373	(15,399)	27,974
Statutory reserve	-	11,239	-	(11,239)	-	-	-
Non - controlling interest	-	-	-	-	-	(232,015)	(232,015)
Shares owned by subsidiary Company	-	-	135,102	-	135,102	-	135,102
Balance at 31 December 2015	35,200,000	217,312	(582,730)	1,412,460	36,247,042	2,812,272	39,059,314

*Retained earnings at 31 December 2016 include unrealized gains relate to changes in fair value of financial assets at fair value through statement of profit or loss amounting to JOD (124,007) which are not allowed to be distributed to shareholders.

"The accompanying notes from (1) to (25) are an integral part of these consolidated financial statements"

Almehanya For Real Estate Investments & Housing Co.
Public Shareholding Company
Consolidated Statement of Cash Flows for the Year Ended 31 December 2016

(In Jordanian Dinar)

	2016	2015
Operating Activities		
Profit for the year before income tax	985,442	96,995
Depreciation	32,376	27,262
Morabaha Income	(114,476)	(191,485)
Changes in fair value of financial assets through profit or loss	(124,007)	181,035
Company's share from associate company operations	-	11,436
Provision for development sold real estate	437,537	(460,909)
Loss from sale of associate company	-	10,812
Board of directors remuneration	45,000	-
Change in working capital		
Lands held for sale	(1,480,037)	1,090,864
Properties held for sale	1,554,842	711,010
Financial assets at fair value through statement of profit or loss	412,593	188,212
Checks under collection	(615,191)	16,993
Receivable and other current assets	(170,229)	595,649
Claims and contractors retentions	(43,530)	29,196
Other liabilities	(8,266)	(73,466)
Deferred revenues	(329,633)	265,913
Advance payments to contractors	(45,055)	78,677
Amounts due from /to related parties	1,856,195	1,723,814
Paid income tax	(53,751)	(143,300)
Net Cash Flows from Operating Activities	2,339,810	4,158,708
Investing Activities		
Proceed from sales associate company	-	536,795
Deposits at Islamic Bank	(1,365,495)	3,014,980
Morabaha income	55,166	157,926
Property and equipment	(4,451)	(2,983)
Investment properties	-	(24,423)
Net Cash Flows (Used in) From Investing Activities	(1,314,780)	3,682,295
Financing Activities		
Paid dividends	(1,039,788)	-
Decrease in capital and shareholders withholdings	(231,702)	(6,969,538)
Non - controlling interests	(229,749)	(232,015)
Net Cash Flows Used in Financing Activities	(1,501,239)	(7,201,553)
Net Change in Cash and Cash Equivalents	(476,209)	639,450
Cash and Cash Equivalents at beginning of year	2,470,707	1,831,257
Cash and Cash Equivalents at end of year	1,994,498	2,470,707

"The accompanying notes from (1) to (25) are an integral part of these consolidated financial statements"

Almehanya For Real Estate Investments & Housing Co.
Public Shareholding Company
Notes to the Consolidated Financial Statements
31 December 2016
(In Jordanian Dinar)

1. General

Almehanya for Real Estate Investments & Housing Co. was established as a Public Shareholding Company on 1 February 2007 under registration number (428) and commenced operation on 14 August 2007 in the Hashemite Kingdom of Jordan. The Company's main activities are property investment, real estate development and real estate management, establishing and constructing housing projects.

According to the Company code of establishment the Company must follow the Islamic religion rules in all its operations.

The Company shares are listed in Amman Stock Exchange - Jordan.

The consolidated financial statements were authorized for issue by the Company's Board of Directors in their meeting held on 26 February 2017, and it is subject to the general assembly approval.

2. Significant Accounting Policies

Basis of Preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as published by International Accounting Standards Board.

The consolidated financial statements have been prepared on historical cost basis except for financial assets, which have been measured at fair value.

The consolidated financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous year.

Principles of Consolidation

The consolidated financial statements comprise of the financial statements of the Company and its subsidiaries where the Company has the power to govern the financial and operating policies of the subsidiaries so as to obtain benefits from their activities. The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiaries are consolidated in the statement of comprehensive income from the acquisition date which is the date on which control over subsidiaries is transferred to the Company. The results of operation of the disposed subsidiaries are consolidated in the comprehensive income to the disposal date which is the date on which the Company loses control over the subsidiaries.

The following subsidiaries have been consolidated:

Company	Capital	Ownership	Activity
Sakhaa for multiple investments Co.	15,000	100%	Trading in financial assets
Tal Al Romman for investments and real estate development Co.	15,000	100%	Real estate development
Al Theheba Al Gharbeia for investments and real estate development Co.	15,000	100%	Real estate development
Taamol for investments and real estate development Co.	15,000	100%	Real estate development
Al Beshery for investments and real estate development Co.	15,000	100%	Real estate development
Al Tawator for investments and real estate development Co.	15,000	100%	Real estate development
Daheyat Al Beshery for housing Co.	10,000	75%	Real estate development
Daheyat Tabarbor for housing Co.	10,000	75%	Real estate development
Al Marhafia for investment property	5,000	100%	Real estate development

Adoption of new and revised IFRS standards

The following standards have been published that are mandatory for accounting periods after 31 December 2016. Management anticipates that the adoption of new and revised Standards will have no material impact on the financial statements of the Company.

Standard No.	Title of Standards	Effective Date
IFRS 2	Classification and Measurement of Share-based Payment Transactions (Amendments)	1 January 2017
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019

Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues, expenses and the provisions. 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.

Management believes that these estimates are reasonable and are as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the consolidated statement of comprehensive income.
- Management reviews periodically its financial assets, which presented at cost to estimate any impairment in its value, and an impairment of loss (if founded) is accrued in the consolidated statement of comprehensive income.
- An the estimate of collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable for individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

Projects under Construction and Lands, Properties held for sale

Lands and properties being developed which are held for sale are presented by the lower of cost or net realizable value. The cost includes the value of the property and all the necessary expenses for developing and making the lands available for sale.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated statement of comprehensive income.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is computed on a straight-line basis using the following annual depreciation rates:

Furniture and fixtures	10%	Vehicles	15%
Office equipment	15%	Decorations	20%
Electrical equipment	25%	Projects equipment	25%
Computers	20-25%		

Investment Property

Property held to earn rentals or for capital appreciation purposes as well as those held for undetermined future use are classified as investment property. Investment property is measured at cost less any accumulated depreciation and any accumulated impairment losses. The cost of constructed property includes the cost of material and any other costs directly attributed to bringing the property to a working condition for its intended use. Borrowing costs that are directly attributed to acquisition and construction of a property are included in the cost of that property.

Depreciation is charged on a straight-line basis at annual rate of (2%). 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 these assets.

Trade Receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Financial Assets at Fair Value through Statement of Profit or Loss

It is the financial assets held by the company for the purpose of trading in the near future and achieving gains from the fluctuations in market prices in the short term or trading margins.

Financial assets at fair value through profit or loss are initially stated at fair value at acquisition date (purchase costs are recorded at the consolidated statement of profit or loss upon acquisition) and subsequently measured at fair value. Moreover, changes in fair value are recorded in the consolidated statement of profit or loss including the change in fair value resulting from translation of non-monetary assets stated at foreign currency. Gains or losses resulting from the sale of these financial assets are taken to the consolidated statement of profit or loss.

Dividends and interests from these financial assets are recorded in the consolidated statement of profit or loss.

Trading and settlement date accounting

Purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits its self to purchase or sell the asset.

Fair Value

For fair value of investments, which are traded in organized financial markets, is determined by reference to the quoted market bid price at the close of the business on the consolidated statement of financial position date. For investments which are listed in inactive stock markets, traded in small quantities or have no current prices, the fair value is measured using the current value of cash flows or any other method adopted. If there is no reliable method for the measurement of these investments, then they are stated at cost less any impairment in their value.

Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flows statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks.

Payables and Accrued Expenses

Accounts payable and accrued expenses are recognized when goods are received and services are performed.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Company intends to either settle them on a net basis, or to realize the asset and settle the liability simultaneously.

Revenue

Lands and properties sales revenue is recognized when risk and reward related to the lands or properties ownership transfers to the buyer.

Morabaha is recognized on a time proportion basis that reflects the effective yield on the assets.

Dividends are recognized when the Company right to receive payment is established.

Rental income is recognized in accordance with the terms of rent contract over the rent term on straight - line basis.

Other revenues are recognized on accrual basis.

Foreign Currency

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Foreign exchange gains or losses are reflected in the consolidated statement of comprehensive income.

Income tax

Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from income declared in the consolidated financial statements because the latter includes non-taxable revenues or disallowed taxable expenses in the current year but deductible in subsequent years, accumulated losses acceptable by the tax law, and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the tax rates according to the prevailing laws, regulations, and instructions of the countries where the Company operates.

Almehanya For Real Estate Investments & Housing Co. PLC
Notes to the consolidated financial statements (continued)
31 December 2016

3. Investment Properties

	Lands	Buildings	Total
Cost			
Balance at 1/1/2016	151,364	817,003	968,367
Balance at 31/12/2016	151,364	817,003	968,367
Accumulated depreciation			
Balance at 1/1/2016	-	10,807	10,807
Depreciation	-	20,322	20,322
Balance at 31/12/2016	-	31,129	31,129
Net book value at 31/12/2016	151,364	785,874	937,238
Cost			
Transfer from properties held for sale	151,364	792,580	943,944
Additions	-	24,423	24,423
Balance at 31/12/2015	151,364	817,003	968,367
Accumulated depreciation			
Depreciation	-	10,807	10,807
Balance at 31/12/2015	-	10,807	10,807
Net book value at 31/12/2015	151,364	806,196	957,560

4. Property and Equipment

	Furniture and Fixtures	Office Equipment	Electrical Equipment	Computers	Vehicles	Decorations	Projects Equipment	Total
Cost								
Balance at 1/1/2016	42,526	18,125	3,818	100,660	78,354	75,035	6,750	325,268
Additions	-	225	-	4,226	-	-	-	4,451
Balance at 31/12/2016	42,526	18,350	3,818	104,886	78,354	75,035	6,750	329,719
Accumulated depreciation								
Balance at 1/1/2016	33,370	17,426	3,452	91,606	76,807	72,937	6,747	302,345
Depreciation	4,264	257	77	4,895	1,544	1,017	-	12,054
Balance at 31/12/2016	37,634	17,683	3,529	96,501	78,351	73,954	6,747	314,399
Net book value at 31/12/2016	4,892	667	289	8,385	3	1,081	3	15,320
Cost								
Balance at 1/1/2015	42,526	18,125	3,818	97,677	78,354	75,035	6,750	322,285
Additions	-	-	-	2,983	-	-	-	2,983
Balance at 31/12/2015	42,526	18,125	3,818	100,660	78,354	75,035	6,750	325,268
Accumulated depreciation								
Balance at 1/1/2015	29,119	16,812	3,183	84,885	73,312	71,832	6,747	285,890
Depreciation	4,251	614	269	6,721	3,495	1,105	-	16,455
Balance at 31/12/2015	33,370	17,426	3,452	91,606	76,807	72,937	6,747	302,345
Net book value at 31/12/2015	9,156	699	366	9,054	1,547	2,098	3	22,923

5. Checks under Collection

	2016	2015
Checks under collections collectable within (3) Months (Note 11)	239,401	165,089
Checks under collections collectable within (4 - 12) Months	561,875	244,178
Checks under collections collectable within period over (12) Months	627,575	330,081
	<u>1,428,851</u>	<u>739,348</u>

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Notes to the consolidated financial statements (continued)
31 December 2016

6. Lands Held for Sale

	Project							Total
	Al Beshery	Al Tawator	Tal Al Romman	Al Theheba*	Daheyat Al Beshery*	Al Marhafaia*	Taamol	
Lands Cost								
Balance at 1/1/2016	1,065,135	3,000,000	105,280	3,982,260	3,000,000	1,480,590	2,911,903	15,545,168
Additions	-	-	-	2,657,920	-	-	-	2,657,920
Lands sold	(179,855)	-	-	(720,891)	(123,870)	(252,332)	(149,659)	(1,426,607)
Balance at 31/12/2016	885,280	3,000,000	105,280	5,919,289	2,876,130	1,228,258	2,762,244	16,776,481
Capitalized expenses								
Balance at 1/1/2016	153,803	247,639	340,192	1,371,083	422,213	103,134	382,358	3,020,422
Additions	-	-	6,042	306,327	31,297	233,689	-	577,355
Lands sold	(25,970)	-	-	(248,200)	(17,433)	(17,577)	(19,651)	(328,831)
Balance at 31/12/2016	127,833	247,639	346,234	1,429,210	436,077	319,246	362,707	3,268,946
Total Cost at 31/12/2016	1,013,113	3,247,639	451,514	7,348,499	3,312,207	1,547,504	3,124,951	20,045,427
Lands Cost								
Balance at 1/1/2015	1,065,135	3,000,000	105,280	5,387,247	3,000,000	1,480,590	3,008,098	17,046,350
Lands sold	-	-	-	(1,404,987)	-	-	(96,195)	(1,501,182)
Balance at 31/12/2015	1,065,135	3,000,000	105,280	3,982,260	3,000,000	1,480,590	2,911,903	15,545,168
Capitalized expenses								
Balance at 1/1/2015	132,228	247,639	340,192	969,715	422,213	103,134	394,983	2,610,104
Additions	21,575	-	-	885,104	-	-	-	906,679
Lands sold	-	-	-	(483,736)	-	-	(12,625)	(496,361)
Balance at 31/12/2015	153,803	247,639	340,192	1,371,083	422,213	103,134	382,358	3,020,422
Total Cost at 31/12/2015	1,218,938	3,247,639	445,472	5,353,343	3,422,213	1,583,724	3,294,261	18,565,590

* The remaining estimated cost to complete the development of the lands held for sale is JOD (2,166,781) at 31 December 2016.

7. Properties Held for Sale

	Daheyat Tabarbor	Taamol	Total
Lands Cost			
Balance at 1/1/2016	1,005,245	724,057	1,729,302
Properties sold	(229,910)	(23,496)	(253,406)
Balance at 31/12/2016	<u>775,335</u>	<u>700,561</u>	<u>1,475,896</u>
Capitalized expenses			
Balance at 1/1/2016	5,275,260	4,514,772	9,790,032
Additions	42,514	9,261	51,775
Properties sold	(1,206,507)	(146,504)	(1,353,011)
Balance at 31/12/2016	<u>4,111,267</u>	<u>4,377,529</u>	<u>8,488,796</u>
Total Cost at 31/12/2016	<u><u>4,886,602</u></u>	<u><u>5,078,090</u></u>	<u><u>9,964,692</u></u>
Lands Cost			
Balance at 1/1/2015	1,311,426	690,996	2,002,422
Additions	-	33,061	33,061
Properties sold	(154,817)	-	(154,817)
Transfer to investment properties	(151,364)	-	(151,364)
Balance at 31/12/2015	<u>1,005,245</u>	<u>724,057</u>	<u>1,729,302</u>
Capitalized expenses			
Balance at 1/1/2015	6,866,938	4,304,930	11,171,868
Additions	11,559	209,842	221,401
Properties sold	(810,657)	-	(810,657)
Transfer to investment properties	(792,580)	-	(792,580)
Balance at 31/12/2015	<u>5,275,260</u>	<u>4,514,772</u>	<u>9,790,032</u>
Total Cost at 31/12/2015	<u><u>6,280,505</u></u>	<u><u>5,238,829</u></u>	<u><u>11,519,334</u></u>

8. Other Current Assets

	2016	2015
Income tax withholdings	104,298	100,202
Accrued morabaha income	59,310	33,559
Prepaid expenses	22,790	12,573
Staff receivables	6,320	5,973
Refundable deposit	1,193	1,193
Others	1,444	1,168
	<u>195,355</u>	<u>154,668</u>

9. Financial Assets at fair value through statement of Profit or Loss

	2016	2015
Investment in quoted companies shares (in Jordan)	2,851,603	3,140,189
Investment in unquoted companies shares (in Jordan)	1,574	1,574
	<u>2,853,177</u>	<u>3,141,763</u>

10. Deposits at Islamic Bank

This account represents deposits at Jordan Dubai Islamic Bank, which earn Morabaha upon its declaration by the Bank.

11. Cash and Cash Equivalents

	2016	2015
Checks under collection (Note 5)	239,401	165,089
Deposits at Islamic Banks	1,525,330	126,474
Current bank accounts at Islamic Bank	228,267	2,177,644
Cash on hand	1,500	1,500
	<u>1,994,498</u>	<u>2,470,707</u>

Time deposits terms are within (1-3) months and earn Morabaha upon its declaration by the Banks.

12. Equity

Paid - in capital

The authorized, subscribed and paid in capital is JOD (35,200,000) divided equally into (35,200,000) shares with par value of JOD (1) for each share as at 31 December 2016 and 2015.

Statutory Reserve

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law. The statutory reserve is not available for distribution to shareholders.

Paid dividends

The General Assembly has resolved in its meeting held on 3 May 2016 to distribute 3% cash dividends to the shareholders.

Shares owned by subsidiary Company

This presents the cost of shares owned by the subsidiary in the capital of Almehanya For Real Estate Investments & Housing Company.

Non - Controlling Interest

This presents the non - controlling interest of the company from the subsidiaries shareholders equity, and the non - controlling interest is presented as a separate account into the consolidated statements of financial position, statement of profit and loss and statement of other comprehensive income.

13. Provision for Development Sold Real Estate

This account represents the estimated expenses to complete the sold real estate development.

Almeahanya For Real Estate Investments & Housing Co. PLC
Notes to the consolidated financial statements (continued)
31 December 2016

14. Deferred Revenues		
	<u>2016</u>	<u>2015</u>
Unearned rent revenues	16,590	24,826
Advances from customers	-	321,397
	<u>16,590</u>	<u>346,223</u>
15. Other Liabilities		
	<u>2016</u>	<u>2015</u>
Provision for income tax (Note 23)	223,676	116,655
Provision for board of directors remuneration	45,000	-
Accrued expenses	18,523	38,269
Owners deposits of subsidiary Company project	11,217	-
Income tax withholdings	507	1,135
Social security deposits	2,878	-
Miscellaneous	1,004	2,991
	<u>302,805</u>	<u>159,050</u>
16. Real Estate Rent Revenues, net		
	<u>2016</u>	<u>2015</u>
Rent revenues	54,708	30,374
Depreciation of rented investment properties	(20,322)	(10,807)
	<u>34,386</u>	<u>19,567</u>
17. Administrative Expenses		
	<u>2016</u>	<u>2015</u>
Salaries , wages and other benefits	189,910	294,082
Social security	19,285	27,852
Professional fees	49,437	48,370
Governmental fees	41,500	24,323
Board of Directors' transportation	32,400	32,400
Rents	32,075	32,127
Depreciation	12,054	16,455
Health insurance	12,080	15,916
Vehicles expenses	6,851	6,732
Hospitality & cleaning	5,621	4,631
Maintenance	6,257	6,294
General assembly meetings	4,852	4,303
Travel and transportation	5,007	8,145
Post, telephone and internet	4,239	5,861
Utility	4,770	4,441
Stationary and printing	1,980	2,029
Insurance	748	748
Companies Controller fees	600	1,200
Miscellaneous	13,478	9,772
	<u>443,144</u>	<u>545,681</u>

18. Marketing Expenses

	2016	2015
Salaries , wages and other benefits	26,767	25,209
Sales commission	24,286	13,259
Advertisement and promotions	20,392	32,855
Advertising items	2,003	3,887
Galleries	880	19,332
Design and printing	722	2,010
Miscellaneous	11,709	6,438
	<u>86,759</u>	<u>102,990</u>

19. Management and Maintenance Real Estate Expenses

	2016	2015
Salaries , wages and other benefits	11,089	20,434
General maintenance	61,942	28,400
Utility	14,966	16,043
Security	9,303	12,218
Governmental fees	8,709	1,059
Agriculture services	1,800	10,642
Supervision	3,350	4,200
Miscellaneous	24,740	9,500
	<u>135,899</u>	<u>102,496</u>

20. Related Parties Transactions

The company had the following transactions with related party during the year:

Party	Relationship Nature	Transaction Volume	Transaction Nature	Balance
Retirement Fund of Jordan Engineers association	Chairman	1,988,400	Marketing Commission	345,512

Executive Management remuneration

The remuneration of executive management during the years 2016 and 2015 amounted to JOD (65,244) and JOD (166,694) respectively

21. Basic and Diluted Earnings per Share

	2016	2015
Profit for the year attributable to shareholders	838,753	43,373
Weighted average number of shares	<u>34,659,604</u>	<u>38,992,054</u>
	<u>0.024</u>	<u>0.001</u>

22. Segments Reporting

The company's and its subsidiaries main operations are real estate investments, securities and banks deposit inside the Hashemite Kingdom of Jordan are as the followings:

	<u>2016</u>	<u>2015</u>
Revenues generated from real estate investments	5,133,946	3,282,492
Revenues generated from securities investments	265,820	(82,286)
Revenues generated from bank deposits	114,476	191,485
Real estate investment segment assets	30,947,357	31,042,484
Securities investment segment assets	2,853,177	3,141,763
Bank deposits investment segment assets	5,246,182	2,481,831

23. Income Tax

The movement on provision for the income tax during the year is as follows:

	<u>2016</u>	<u>2015</u>
Balance at beginning of the year	116,655	190,934
Income tax expense for the year	160,772	69,021
Income tax paid	<u>(53,751)</u>	<u>(143,300)</u>
Balance at end of the year (Note 15)	<u>223,676</u>	<u>116,655</u>

Income tax for the year in the consolidated statement of comprehensive income consists of the following:

	<u>2016</u>	<u>2015</u>
Income tax for the year	<u>160,772</u>	<u>69,021</u>

- The company has settled its tax liability with Income Tax Department up to the year ended 2011.
- The income tax returns for the years 2012, 2013, 2014 and 2015 has been filed with the Income Tax Department but the Department has not reviewed the company's records till the date of this report.
- The income tax provision for the year 2016 was calculated in accordance with the Income Tax Law.

24. Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets of the Company include cash and cash equivalents, deposits at bank, checks under collection, receivable and securities. Financial liabilities of the Company include claims and contractor's retention, deferred revenues and amounts due to shareholders.

Fair Value

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

2016	Level 1	Level 2	Level 3	Total
Financial assets at fair value through statement of profit or loss	2,851,603	-	1,574	2,853,177
2015	Level 1	Level 2	Level 3	Total
Financial assets at fair value through statement of profit or loss	3,140,189	-	1,574	3,141,763

Financial assets included in level 3 are stated at cost less impairment charges, as the fair value of these assets cannot be measured reliably due to the lack of available active markets for identical assets.

Credit Risk

Credit risks are those risks resulting from the default of counterparties to the financial instrument to repay their commitment to the Company. The Company limits its credit risk by only dealing with reputable banks and by setting credit limits for individual customers and monitoring outstanding receivables. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

Equity Price Risk

Equity price risk results from the change in the fair value of equity securities. The company manages these risks through the diversification of investments in several geographical areas and economic sectors. If the quoted market price of listed equity securities had increased or decreased by 10%, the consolidated comprehensive income for the year 2016 would have been reduced / increased by JOD (285,160) (2015: JOD 314,019).

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its net financial obligation. In this respect, the Company's management diversified its funding sources, and managed assets and liabilities taking into consideration liquidity and keeping adequate balances of cash, and cash equivalents and quoted securities.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated financial position date to the contractual maturity date:

2016	Less than one year	More than one year	Total
Amounts due to shareholders	1,949,184	-	1,949,184
Provision for sold real estate development	663,345	-	663,345
Amounts due to related parties	345,512	-	345,512
Deferred revenues	16,590	-	16,590
Claims and contractors retention	14,266	-	14,266
Other liabilities	302,805	-	302,805
Total Current Liabilities	3,291,702	-	3,291,702
2015	Less than one year	More than one year	Total
Provision for sold real estate development	225,808	-	225,808
Deferred revenues	346,223	-	346,223
Amounts due to shareholders	2,180,886	-	2,180,886
Claims and contractors retention	57,796	-	57,796
Other liabilities	159,050	-	159,050
Total Current Liabilities	2,969,763	-	2,969,763

25. Capital Management

The Company manages its capital structure with the objective of safeguarding the entity's ability to continue as a going concern and providing an adequate return to shareholders by pricing products and services commensurately with the level of risk.