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شركة الإنماء العربية
للتجارة والاستثمارات العالمية المساهمة العامة المحدودة

NO 2018/ق/401/2435/ن
Date:22/03/2017

الرقم : ن/401/2435/ق/2018
التاريخ : 2017/03/22

To: Jordan Securities Commission

السادة هيئة الأوراق المالية

**Subject: Audited Financial Statements
for the fiscal year ended 31/12/2017**

**الموضوع : البيانات المالية السنوية المدققة
للسنة المنتهية في 2017/12/31**

Attached the Audited Financial Statements
for Inma Arabian development Co. for the
fiscal year ended 31/12/2017

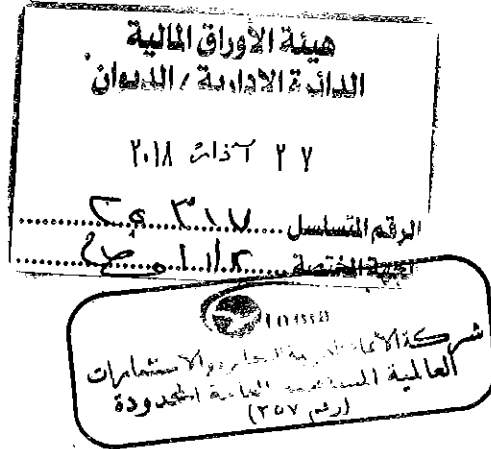
مرفق طيه نسخة من البيانات المالية المدققة
لشركة الإنماء العربية للتجارة والاستثمارات
عن السنة المالية المنتهية في 2017/12/31

Kindly accept our high appreciation and
respect,,

وتفضلوا بقبول فائق الإحترام ،،

Shaher-Rawashdeh
General Manager's

شاهر الرواشده
المدير العام



**ARAB INMA GLOBAL TRADING AND
INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**CONSOLIDATED FINANCIAL
STATEMENTS AND INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANT'S
REPORT
FOR THE YEAR ENDED DECEMBER 31,
2017**

**ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANT'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017**

INDEX	PAGE
Independent certified public accountants report	1 - 3
Consolidated Statement of financial position	5
Consolidated statement of Comprehensive Income	6
Consolidated statement of Owners' equity	7
Consolidated Statement of Cash flows	8
Notes to the consolidated Financial Statements	9 – 21

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT

To the shareholders
Arab Inma Global Trading and Investment Company (PLC)

Report on auditing the Consolidated Financial Statements

Qualified opinion

We have audited the accompanying consolidated financial statements of Arab Inma Global Trading and Investment Company (PLC), which comprise of the consolidated statement of financial position as of December 31, 2017, and the related consolidated statements of comprehensive income, consolidated Statement of owners' equity and consolidated statement of cash flows, for the year then ended, notes to the consolidated financial statements and a summary of significant accounting policies and other explanatory information.

In our opinion, with the exception of the possible effects as set out in the qualified opinion paragraph, the consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position of Arab Inma Global Trading and Investment Company (PLC) as of December 31, 2017, and its consolidated financial performance and consolidated cash flows for the year then ended are in accordance with International Financial Reporting Standards.

Basis for Opinion

1- As disclosed in note (5), Investments in lands include lands costed JOD 1,431,587 that are not registered by the name of the Company but in exchange of irrevocable agencies or written letters, included the land of Tla'a al-ali that costed JOD 823,000 is still registered by the name of Jordan commercial bank.

2- As disclosed in note (6), The Shmeisani building which was purchased from Darkom Investment Company that are not registered by the name of the Company but in exchange of irrevocable agency by the name of Mr. Shaher Tawfiq Hamad Al Rawashdeh (Current General Manager).

We conduct our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in Auditor's Responsibilities for the audit of the Financial Statements. We are independent of the company in accordance with International Standard Board Code of Ethics for professional accountants ("the code") and we have fulfilled our other ethical responsibilities in accordance with the code.

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

Key audit matters

Key audit matters, according to our professional judgment, are matters that had the significant importance in our auditing procedures that we performed to the consolidated financial statement. The basic auditing matters have been addressed in our auditing workflow to consolidated financial standards as we do not express separate opinions.

Investments in lands and Real Estate Investments

In accordance with the International Financial Reporting Standards, the company chose to report the Investments in lands and Real Estate Investments at cost, in which the Company has to perform an impairment test to the reported amount of the Investments in lands and Real Estate Investments, and in case of any impairment indication; the impairment loss is calculated according to the followed policy of impairment in assets, the company assesses the impairment by authenticated experts (if any), and considering its significance it is an important audit risk.

Followed procedures within key audit matters**Investments in lands and Real Estate Investments**

Our Audit procedures included reviewing the control used in the assertions of existence and completeness, and impairment in value of reported Investments in lands and Real Estate Investments has been detected, and no impairment in Investments in lands and Real Estate Investments through assumptions, taking in consideration the available external information based on real estate experts there has been no decline in value after the impairment test of 2016, we have focused on the adequacy of the Company's disclosures on it.

Other Matter

The Consolidated Financial Statements as of December 31, 2016 have been audited by another auditor, which he issued his qualified report on February 27, 2017.

Other information

The management is responsible for other information which includes other information reported in the annual report, but not included in the consolidated financial statements and our audit report on it.

Our opinion does not include these other information, and we do not express any assertion over it.

Regarding our audit on consolidate financial statements we are obliged to review these other information, and while that, we consider the compatibility of these information with their consolidated financial statements or with the knowledge that we gained through audit procedure or seems to contain significant errors. If we detected based on our audit, the existence of significant errors in the information, we are obliged to report this fact. Regarding this, we have nothing to report.

Management and individuals responsible for governance about the consolidated financial statements

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

In preparing the Financial Statements, the 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 the management either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

Individuals responsible of governance are responsible of supervising the preparation of consolidated financial statements.

Certified public accountant responsibility

Our objective is to obtain reasonable assurance about whether the Financial Statements are free from material misstatement, 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 International Standards on Auditing 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 decision of users taken on the basis of these consolidated Financial Statements.

As part of an audit in accordance with The International Standards on Auditing, 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 the Management.
- Conclude on the appropriateness of the 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.

We communicated with audit committee, 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.

Legal requirements report

The Company maintains proper books of accounting records which are in agreement with the accompanying consolidated financial statements and we recommend approving the consolidated financial statements.

Ghosheh & Co.

Abdulkareem Qunais
License No.(496)

Amman – Jordan
March 1, 2018



ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	Note	2017	2016
ASSETS			
Non-Current Assets			
Property and equipment	4	14,415	34,665
Investments in lands	5	3,378,837	3,412,563
Real Estate Investments	6	4,302,793	2,978,695
Payments on purchasing Real estate		-	1,333,351
Financial assets designated at fair value through statement of other comprehensive income		28,000	51,000
Total Non-Current Assets		7,724,045	7,810,274
Current Assets			
Prepaid expenses and other receivables		5,119	4,795
Financial assets designated at fair value through statement of comprehensive income	7	9,841	12,025
Accounts receivable and checks under collection	8	161,673	85,396
Cash and cash equivalents		1,275	500
Total Current Assets		177,908	102,716
TOTAL ASSETS		7,901,953	7,912,990
LIABILITIES AND OWNERS' EQUITY			
Owners' Equity			
Share Capital	1	7,000,000	7,000,000
Statutory Reserve	12	265,148	265,148
Voluntary Reserve	12	244,466	244,466
Special Reserve	12	229,967	229,967
Fair value reserve		(110,000)	(87,000)
Accumulated Losses		(1,506,488)	(1,343,542)
Total Owners' Equity		6,123,093	6,309,039
Non-current liabilities			
Long term loans	9	888,389	782,256
Total non-current liabilities		888,389	782,256
Current Liabilities			
Accrued expenses and other liabilities	10	104,604	58,750
Accounts payable		161,404	74,056
Current portion of long term loans	9	120,000	263,760
Bank overdraft	11	504,463	425,129
Total Current Liabilities		890,471	821,695
TOTAL LIABILITIES AND OWNERS' EQUITY		7,901,953	7,912,990

Chairman of Board of Directors

General Director

Chief Financial Officer

The accompanying notes are an integral part of these consolidated financial statements

ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	Note	2017	2016
Rent revenues		199,818	200,048
Cost of rent revenues	13	(82,869)	(79,659)
Gross profit		116,949	120,389
General and administrative expenses	14	(140,088)	(168,129)
Financial charges		(141,703)	(88,002)
Unrealized losses from financial assets designated at fair value through statement of comprehensive income		(2,184)	-
Land sale losses		(13,726)	(7,849)
Other revenues and expenses		17,806	(3,835)
Net Loss for the year		(162,946)	(147,426)
Other comprehensive Income:			
Change in fair value reserve		(23,000)	(21,000)
Total Comprehensive Income for the year		(185,946)	(168,426)
Losses per Share:			
Losses per share- JOD/Share		(0,023)	(0,021)
Weighted Average for the Number of Capital Shares- Share		7,000,000	7,000,000

The accompanying notes are an integral part of these consolidated financial statements

ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF OWNERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Statutory reserve	Voluntary reserve	Special reserve	Fair value reserve	Accumulated losses	Total
Balance at January 1, 2016	7,000,000	265,148	244,466	229,967	(66,000)	(1,196,116)	6,477,465
Comprehensive income for the year	-	-	-	-	(21,000)	(147,426)	(168,426)
Balance at December 31, 2016	7,000,000	265,148	244,466	229,967	(87,000)	(1,343,542)	6,309,039
Comprehensive income for the year	-	-	-	-	(23,000)	(162,946)	(185,946)
Balance at December 31, 2017	7,000,000	265,148	244,466	229,967	(110,000)	(1,506,488)	6,123,093

The accompanying notes are an integral part of these consolidated financial statements

ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	2017	2016
OPERATING ACTIVITIES		
Net Loss for the year	(162,946)	(147,426)
Adjustments for loss for the year:		
Previous year Adjustments	-	(170)
Depreciation	60,642	53,865
Financial charges	141,703	88,002
Land sale losses	13,726	-
Unrealized losses from financial assets designated at fair value through statement of comprehensive income	2,184	7,849
Changes in operating assets and liabilities:		
Accounts receivable and checks under collection	(76,277)	(11,323)
Prepaid Expenses and other receivables	(324)	15,786
Accounts payable	87,348	-
Accrued expenses and other liabilities	45,854	(43,765)
Cash available from / (used in) operating activities	111,910	(37,182)
Paid financial charges	(141,703)	(88,002)
Net cash used in operating activities	(29,793)	(125,184)
INVESTING ACTIVITIES		
Changes in property and equipment	11,868	(18,089)
Investments in lands	-	(1,421)
Real Estate investments	(1,376,358)	(5,079)
Proceeds from land sale	20,000	-
Payments on purchasing real estate	1,333,351	(703,791)
Net cash used in investing activities	(11,139)	(728,380)
FINANCING ACTIVITIES		
Loans	(37,627)	816,962
Banks Overdrafts	79,334	36,602
Net cash available from financing activities	41,707	853,564
Net change in cash and cash equivalents	775	-
Cash and cash equivalents, January 1	500	500
CASH AND CASH EQUIVALENTS, DECEMBER 31	1,275	500

The accompanying notes are an integral part of these consolidated financial statements

ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

1. ESTABLISHMENT AND ACTIVITIES

Arab Inma Global Trading and Investment Company ("the Company") is a Jordanian Public Shareholding Company registered on December 14, 2004 under commercial registration number (357), the share capital of the Company is JD 7,000,000 divided into 7,000,000 shares, the value of each share is one JD.

The main activities of the Company are managing public investments, import and export, general trade and also carry out all business and investment and everything falls under the business of commercial and investment companies in Jordan and abroad.

The consolidated financial statement as at December 31, 2017 contains the financial statements of the subsidiaries companies as follow:

Subsidiary Company name	Registration place	Registration year	Vote and equity percentage	Main activity
Arab Saudi Inma Investment Company	The Hashemite Kingdom of Jordan	2006	100 %	Management of real estate portfolios and contribution in other companies and maintenance works of buildings, commercial agencies and the purchase and sale of real estate and lands
Al Hanem Real Estate Investment Company	The Hashemite Kingdom of Jordan	2011	100 %	Real estate management and borrowing the necessary funds from banks

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 anticipates that the adoption of these IFRSs in future periods is not likely to have a material impact on the consolidated financial statements of the Company.

**ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)**

3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of consolidation financial statements

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

The Basis of preparation the consolidation financial statements

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

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

Basis of consolidating financial statements

The consolidated financial statements incorporate the financial statements of Arab Inma Global Trading and Investment Company (Public Shareholding Company) and the subsidiaries controlled by the Company.

Control is achieved where the Company:

- Ability to exert power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- Ability to exert power over the investee to affect the amount of the investor's returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries above.

When the Company has less than a majority of the voting, The Company shall have control over the investee when the voting rights sufficient to give it the ability to direct relevant activities of the investee individually.

When The Company reassesses whether or not it controls an investee, it consider all the relevant facts and circumstances which includes:

- Size of the holding relative to the size and dispersion of other vote holders
- Potential voting rights, others vote-holders, and Other parties.
- Other contractual rights
- Any additional facts and circumstances may indicate that the company has, or does not have, the current ability to direct the activities related to the time needed to make decisions, including how to vote at previous shareholders meetings.

The consolidation process begins when the company's achieve control on the investee enterprise (subsidiary), while that process stops when the company's loses control of the investee (subsidiary), In particular Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement, and the consolidated comprehensive income statement from the effective date of acquisition and up to the effective date of which it loses control of a subsidiary Company.

ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

The profit or loss and each component of other comprehensive income elements distributed on the company's owners and owners of non-controlling interests, total comprehensive income for the subsidiary distributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balances.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the parent Company.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Financial assets designated at fair value through statement of comprehensive income

Financial assets are classified as at fair value through statement of income when the financial asset is either 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 re-measurement recognized in profit or loss. The net gain or loss recognized 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 consolidated income statement.

ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

Financial assets specified 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.

Revenues

Revenue from the sale of land and apartments is recognized when the sales agreement is signed with the buyer and the contract of sale promise is signed.

Revenue from commissions and real estate brokerage is recognized when the invoice is issued and service is provided to customers.

Expenses

Selling and marketing expenses principally comprise of costs incurred in the distribution and sale of the Company's products, all other expenses are classified as general and administrative expenses.

General and administrative expenses include direct and indirect costs which are not specifically part of production costs as required under Generally Accepted Accounting principles, Allocations between general and administrative expenses and cost of sales are made on a consistent basis when required.

Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, and highly liquid investments with original maturities of three months or less.

Accounts receivable

Account receivable are stated at invoice amount less any provision for doubtful and a provision for doubtful debts is taken when there is an indication that the receivable may not be collected, and are written off in the same period when there is impossible recovery of them.

Accounts payable and accruals

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

Investments in Lands held for sale

Investments in land and real estate are stated at cost. International Accounting Standard N.O (40) States that investments in lands should be stated at their cost or at fair value whichever more clearly determinable. The Company chose recording it's their investments in lands at their cost in accordance with the Accounting principles and Standards.

ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

The Decline in value of the financial assets

In date of each consolidated 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, were 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 had 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 provisions.

The changes in the listed value for the provisions account recognized in the consolidated statement of comprehensive income.

As for the ownership equity tools which are available for sale, decline losses are not closed in the recognized value in the consolidated comprehensive income statement, However any increase in the fair value become after decline loss has recognized directly in consolidated owner'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, and substantially all the risks and benefits of the ownership to another firm. In the case of the company doesn't transfer or retain substantially risks or benefits of the ownership and continue in control of the transferred assets, the company in this case recognize it's retained share in the transferred assets and the related liabilities in the limits of the amounts expected to be paid. In the other case, when the company retained substantially all risks and benefits of ownership of the transferred assets, the company will continue to recognize the financial assets.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation, Expenditure on maintenance and repairs is expensed, 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:

	Annual depreciation rate
Furniture and office equipment	15%
Vehicle	20%
Craft zone supplies	20%
Decorations	25%

**ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)**

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.

The decline in value of the non-current assets

The decline in value of the non-current assets, in the date of each consolidated statement of financial position 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 baisses of distribution that is fixed and reasonable, the joint assets distribute to units producing of cash that related in the same asset, the joint assets distribute to specific units producing of cash or it 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 Recovery 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 comprehensive income statement except the asset that is re-evaluation then record losses of the decline as reduction from re-evaluation provision.

Provisions

The provision 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 the best expectations of the required alternative to meet the obligation as of the consolidated statement of financial position 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.

**ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)**

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

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

Geographical segment is associated in providing products in particular economic environment subject to risks and returns that are differed from those for sectors to work in economic environment.

Offsetting

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

Income tax

The company is subject to Income Tax Law and 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 number (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 consolidated financial statements since it's immaterial.

Foreign currency translation

Foreign currency transactions are translated into Jordanian Dinar at the rates of exchange prevailing at the time of the transactions, Monetary assets and liabilities denominated in foreign currencies at the periodic financial position date are translated at the exchange rates prevailing at that date, Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated comprehensive income statement.

ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

Leasing

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

4. PROPERTY AND EQUIPMENT

	January 1	Additions	Disposal	December 31
Cost:				
Furniture and office equipment	14,580	400	-	14,980
Vehicle	53,433	-	(17,500)	35,933
Craft zone supplies	2,979	-	-	2,979
Decorations	15,950	-	-	15,950
Total cost	86,942	400	(17,500)	69,842
Depreciation:				
Furniture and office equipment	11,584	1,055	-	12,639
Vehicle	37,026	4,137	(5,232)	35,931
Craft zone supplies	2,963	-	-	2,963
Decorations	704	3,190	-	3,894
Total depreciation	52,277	8,382	(5,232)	55,427
Book value at January 1	34,665			
Book value at December , 31				14,415

5. INVESTMENTS IN LANDS

	2017	2016
Beginning balance of the year	3,412,563	3,411,142
Additions	-	1,421
Disposals – lands sale	(33,726)	-
	3,378,837	3,412,563

Investments in lands include lands costed JOD 1,431,587 that are not registered by the name of the Company but in exchange of irrevocable agencies or written letters, included the land of Tla'a al-ali that costed JOD 823,000 is still registered by the name of Jordan commercial bank.

The fair value of lands investments amounted JOD 5,780,421 based on professional real estate estimators.

ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

6. REAL ESTATE INVESTMENTS

	2017	2016
Cost:		
Beginning balance of the year	3,496,180	3,491,101
Additions	1,376,358	5,079
	<u>4,872,538</u>	<u>3,496,180</u>
Accumulated Depreciation:		
Beginning balance of the year	517,485	469,725
Additions	52,260	47,760
	<u>569,745</u>	<u>517,485</u>
Net book value	<u>4,302,793</u>	<u>2,978,695</u>

The fair value of real estate investments amounted JOD 4,795,466 based on professional real estate estimators. The land and building purchased during the current year were estimated at the date of purchase by the Department of Land and Survey with a value of JD 1,650,000.

The building in Marka is constructed on land No. 896 basin No. 1 of Marka lands is mortgaged by JOD 500,000 to the benefit of a bank against banking facilities that granted to the company.

The building in Shmesani which was purchased from Darkom Investment Company that are not registered by the name of the Company but in exchange of irrevocable agency by the name of Mr. Shaher Tawfiq Hamad Al Rawashdeh (Current General Manager).

7. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH STATEMENT OF COMPREHENSIVE INCOME

	2017	2016
Investment in Al-jamil For Investments Co. by 9,576 shares (2016: 9,576 shares)	1,915	1,724
Investment in Arab Assurers Insurance Co. by 31,310 shares (2016: 31,310 shares)	7,201	6,575
Investment in Al-barakat Investments Group Company by 10,349 shares (2016: 10,349 shares)	725	3,726
	<u>9,841</u>	<u>12,025</u>

8. ACCOUNTS RECEIVABLE AND CHECKS UNDER COLLECTION

	2017	2016
Checks under collection	36,140	37,215
Account receivables	146,064	83,052
Impairment of account receivables	(20,531)	(34,871)
	<u>161,673</u>	<u>85,396</u>

ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

9. LOANS

	2017	2016
Jordan Commercial Bank	1,008,389	1,046,016
Less: current portion	120,000	263,760
The long term portion	888,389	782,256

The Company has obtained a bank facilities from Jordan Commercial Bank amounting to JD 363,990 with interest 9% and with commission 0.5%, the amount will have repaid within 105 monthly installments to pay off some of the company's obligations, finance working capital and pay the transfer fees for the company's land, it is personally guaranteed by Mr. Shaher Tawfiq Hamad Al Rawashdeh (Current General Manager) and Mr. Sharif Tawfiq Hamad Al Rawashdeh (The Former Chairman of Board of Directors). During 2016 the loan was rescheduled to repaid by equal monthly installments within 61 each for JD 5,000.

The Company has diminishing loan from Jordan Commercial Bank amounting to JD 807,000 with interest 8.25% and without commission, to pay for Darkom Investment Company about for the building purchased from it, the amount will have repaid by equal monthly installments within JD 16,980 gainst mortgaged amounted JD 500,000 land No. 896 basin No. 1 and realestates guarantee registered by the name of Jordan commercial bank the estimated average value is JD 838,000 No. 458 Sultani Jubaiha Basin 9.

During 2017 the Company re-schedule the facilities by merge them and will paid by equal monthly installments within 120 each for JD 10,000 except the last one, with stay the previous mortgage.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

	2017	2016
Accrued expenses	5,522	5,652
Due to Shareholders	19,629	19,629
Provision for vacations	3,152	3,152
Boards of Directors remuneration	6,000	14,000
Universities provision fees	-	16,317
Temporary deposit	66,000	-
Boards of Directors transportation	1,800	-
Other accrued	2,501	-
	104,604	58,750

ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

11. BANK OVERDRAFT

During 2016 the Company has credit facilities was granted by Jordan Commercial Bank amounting JD 500,000 against mortgaged amounted JD 500,000 on land No. (896) basin No. (1), to pay off some of the company's obligations.

12. RESERVES

Statutory reserve:

In accordance with the Companies' Law in the Hashemite Kingdome of Jordan and the Company's Article of Association, the Company has established a statutory reserve by the appropriation of 10% of net income until the reserve equals 100% of the capital. However, the company may, with the approval of the General Assembly to continue to deduct this annual ratio until this reserve is equal to the subscribed capital of the Company in full. This reserve is not available for dividend distribution, The General Assembly is entitled to decide, in its unusual meeting, to amortize its losses by the accumulated statuary reserve if all other reserves pay off, to rebuild it again in accordance with the law.

Voluntary reserve:

In accordance with the Companies' Law in the Hashemite Kingdome of Jordan and the Company's Article of Association, The Company can establish a voluntary reserve by an appropriation no more than 20% of net income. The company's Board of Directors resolved to allocate 20% of the net income during the year. This reserve is not available for dividend distribution till the approval of the Company's General Assembly.

Special reserve:

In accordance with the Companies' Law in the Hashemite Kingdome of Jordan and the Company's Article of Association, the Company can establish a special reserve by an appropriation no more than 20% of net income. This reserve is for the expansion of the Company's financial position and is available for dividend distribution till the approval of the Company's Board of Directors.

13. COST OF RENT REVENUES

	2017	2016
Depreciation	52,260	47,760
Salaries	7,500	7,500
Sewage	6,345	6,480
Property tax expenses	15,882	15,676
Cleaning	561	530
Miscellaneous	321	1,713
	<u>82,869</u>	<u>79,659</u>

ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

14. GENERAL AND ADMINISTRATIVE EXPENSES

	2017	2016
Salaries and wages	50,922	52,657
Professional and consultancy fees	9,470	17,040
Cars maintenance and oil	5,382	5,975
Licenses, subscription and governmental fees	11,057	11,813
Legal expenses	7,784	15,385
Telephone, postmail, and telegraph	1,903	2,837
Rents	10,200	8,033
Water and electricity	1,770	1,846
Stationary and printing	830	1,228
General assembly meetings expenses	1,898	2,586
Board of director's transportation	25,500	37,850
Administrative depreciation	8,382	6,105
Other	4,990	4,774
	<u>140,088</u>	<u>168,129</u>

15. INCOME TAX

The Company finalized its tax position for 2016.

16. CONTINGENT LIABILITIES

Legal status

- Issues raised by the company:

The value of the cases filed by the company to others amounted to JD 342,000.

- Issues raised on the company:

a. There is an legal case raised by Masrifuon Company against Arab Inma Global Trading And Investment and Arab Saudi Inma Investment Company amounted JD 2,446,531, the court objected the objection by both Companies and the case is still outstanding up to the date of this financial statement.

b. There is an legal case No. 1158/2005 amounted JD 10,000 from Income and sales tax Department against Almasaken Company (one of the merged Companies with Arab Inma Global Trading And Investment) and the case is still unsettled by the income tax court.

ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

17. FINANCIAL INSTRUMENTS

The Fair Value

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

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

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

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

<u>December 31, 2017</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	9,841	-	-	9,841
Financial assets designated at fair value through statement of other comprehensive income	28,000	-	-	28,000
Real estate investments	-	-	4,302,793	4,302,793
	<u>37,841</u>	<u>-</u>	<u>4,302,793</u>	<u>4,340,634</u>
<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	12,025	-	-	12,025
Financial assets designated at fair value through statement of other comprehensive income	51,000	-	-	51,000
Real estate investments	-	-	2,978,695	2,978,695
	<u>63,025</u>	<u>-</u>	<u>2,978,695</u>	<u>3,041,720</u>

The value set out in the third level reflects 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.

ARAB INMA GLOBAL TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

Capital Management Risks

The Company manages its capital to make sure that the Company will continue when it is take the highest return by the best limit for debts and shareholders' equity balances. The Company's strategy has not change from year 2016.

Structuring of Company's capital includes debts, and the shareholders equity in the Company which includes Common stock, additional paid in capital, reserves, accumulated change in fair value, and accumulated losses as it listed in the changes in consolidated owners' equity statement.

Financial Risks Management

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

Foreign currencies Risks Management

The company doesn't expose to significant risks related with the foreign currencies changing, so there is no need to effective management for this exposed

Interest rates risk

Interest rate risk is defined as the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates.

Other price risk

Other price risk is defined as the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or its issuer of factors all similar financial instruments traded in the market, the financial instruments in the consolidated statement of financial position are not subject to other pricing risk with the exception of investments.

Credit risk

Credit risk is defined as the risk that one party of a financial instrument will cause a financial loss for the other party by failing to discharge an obligation, the Company maintains cash at financial institutions with suitable credit rating, the Company looks forward to reduce the credit risk by maintaining a proper control over the customers credit limits and collection process and take provisions for doubtful accounts.

18. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors and authorized for issuance on March 1, 2018.

19. COMPARITIVE YEAR FIGURES

Certain figures for 2016 have been reclassified to conform with the prsentation for the year ended December 31, 2017.