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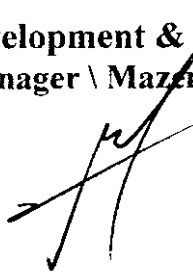
To \ Amman Stock Exchange

Subject: Quarterly Report as of 31/03/2017

Attached the Quarterly Financial Statements of Arab East For Development & Investment (Holding) as of 31/03/2017 .

Kindly accept our appreciation and respect

Arab East For Development & Investment (Holding)
Financial manager \ Mazen Qudeimat



بورصة عمان
الدائرة الإدارية والمالية
الديوان
١٥ أيار ٢٠١٧
الرقم التسلسلي: 3095
رقم الملف: 31216
المهنة المختصة: 2111/611

**Arab East for Development and Investments
Public Shareholding Company**

Condensed Interim Financial Statements (Not Audited)

31 March 2017

Arab Professionals

(Member firm within of Grant Thornton International Ltd)

**Arab East for Development and Investments
Public Shareholding Company**

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Report on Review of the Interim Financial Statements

To The Board of Directors
Arab East for Development and Investment
Public Shareholding Company
Amman - Jordan

Introduction

We have reviewed the accompanying condensed interim financial statements of Arab East for Development and Investments PLC, comprising the interim statement of financial position as at 31 March 2017 and the related interim statement of profit or loss, interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the three months period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standard (IAS 34) Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial statement based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standard (IAS 34) Interim Financial Reporting.

13 April 2017
Amman - Jordan



Amin Samara
(License No. 481)
Arab Professionals



Arab Professionals
Grant Thornton

**Arab East for Development and Investment
Public Shareholding Company**
Interim statement of financial position as at 31 March 2017

(In Jordanian Dinar)

	31 March 2017	31 December 2016
Assets		
Non - Current Assets		
Amounts due from related parties	335,310	335,310
Financial assets at fair value through other comprehensive income	137,688	109,825
Total Non - Current Assets	472,998	445,135
Current Assets		
Other assets	10,028	10,028
Cash and cash equivalents	9,308	4,097
Total Current Assets	19,336	14,125
Total Assets	492,334	459,260
Equity and Liabilities		
Equity		
Paid - in capital	500,000	500,000
Statutory reserve	28,721	28,721
Voluntary reserve	57,442	57,442
Cumulative change in fair value of financial assets	(511,298)	(539,161)
Retained earnings	195,511	198,280
Net Equity	270,376	245,282
Liabilities		
Non - Current Liabilities		
Amounts due to related parties	211,959	201,949
Current Liabilities		
Payables and other liabilities	9,999	12,029
Total Liabilities	221,958	213,978
Total Equity and Liabilities	492,334	459,260

"The accompanying notes from (1) to (5) are an integral part of these interim financial statements and read with review report"

**Arab East for Development and Investment
Public Shareholding Company**
Interim statement of profit or loss for the three months ended at 31 March 2017

(In Jordanian Dinar)

	<u>31 March 2017</u>	<u>31 March 2016</u>
Administrative expenses	<u>(2,769)</u>	<u>(2,756)</u>
Loss for the period	<u>(2,769)</u>	<u>(2,756)</u>
Basic and diluted losses per share	<u>(0.006)</u>	<u>(0.006)</u>

"The accompanying notes from (1) to (5) are an integral part of these interim financial statements and read with review report"

**Arab East for Development and Investment
Public Shareholding Company**
Interim statement of comprehensive income for the three months ended
at 31 March 2017

(In Jordanian Dinar)

	<u>31 March 2017</u>	<u>31 March 2016</u>
Loss for the period	(2,769)	(2,756)
Other comprehensive income:		
Changes in fair value of financial assets through other comprehensive income	<u>27,863</u>	<u>(4,448)</u>
Total comprehensive income for the period	<u>25,094</u>	<u>(7,204)</u>

"The accompanying notes from (1) to (5) are an integral part of these interim financial statements and read with review report"

**Arab East for Development and Investment
Public Shareholding Company**
Interim statement of changes in equity for the three months ended at 31 March 2017

(In Jordanian Dinar)

	Paid - in capital	Reserves		Fair value adjustments	Retained Earnings	Net Equity
		Statutory	Voluntary			
Balance at 1 January 2017	500,000	28,721	57,442	(539,161)	198,280	245,282
Total comprehensive income for the period	-	-	-	27,863	(2,769)	25,094
Balance at 31 March 2017	500,000	28,721	57,442	(511,298)	195,511	270,376
Balance at 1 January 2016	500,000	28,721	57,442	(521,515)	205,856	270,504
Total comprehensive loss for the period	-	-	-	(4,448)	(2,756)	(7,204)
Balance at 31 March 2016	500,000	28,721	57,442	(525,963)	203,100	263,300

"The accompanying notes from (1) to (5) are an integral part of these interim financial statements and read with review report"

**Arab East for Development and Investment
Public Shareholding Company**
Interim statement of cash flows for the three months ended at 31 March 2017

(In Jordanian Dinar)

	31 March 2017	31 March 2016
Operating Activities		
Loss for the period	(2,769)	(2,756)
Changes in Working Capital		
Payables and other liabilities	(2,030)	25
Net cash flows used in operating activities	<u>(4,799)</u>	<u>(2,731)</u>
Financing activities		
Amounts due to related parties	<u>10,010</u>	<u>-</u>
Changes in cash and cash equivalents	5,211	(2,731)
Cash and cash equivalents, beginning of year	<u>4,097</u>	<u>11,593</u>
Cash and cash equivalents, end of period	<u>9,308</u>	<u>8,862</u>

"The accompanying notes from (1) to (5) are an integral part of these interim financial statements and read with review report"

**Arab East for Development and Investment
Public Shareholding Company**
Notes to the condensed interim financial statements (Not Audited)
31 March 2017

(In Jordanian Dinar)

1. General

Arab East for Development and Investments Company PLC. was established on 13 June 2001 as a Public Shareholding Company and registered at the Ministry of Trade and Industry under number (343) in the Hashemite Kingdom of Jordan. The company's main objective is managing its subsidiaries and investing in stocks and bonds.

The accompanying condensed interim financial statements are consolidated with the parent's company financial statements (Arab East Investments Company PLC) which owns (80%) of the Company's shares.

The accompanying condensed interim financial statements were authorized for issue by the company's Board of Directors in their meeting held on 13 April 2017 and it is subject to the General assembly approval.

2. Summary of Significant Accounting Policies

Basis of Preparation

The condensed interim financial statements of the company have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2017.

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

The condensed interim 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 period.

Use of Estimates

The Preparation of the interim financial statements and the application of accounting policies require the company's management to estimate and assess some items affecting financial assets and liabilities and to disclose contingent liabilities. These estimates and assumptions also affect certain elements of the company's assets, liabilities and provisions, and revenue and expenses, and require estimating and assessing the amounts and timing of future cash flows. The mentioned estimates and assumptions are based on multiple factors with varying degrees of assessment and uncertainty. Moreover, the actual results may differ from the estimates due to the changes resulting from the conditions and circumstances of those estimates in the future.

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

- 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 interim statement of profit or loss.

Financial Assets at Fair Value through Other Comprehensive Income

These financial assets represent investments in equity instruments held for the purpose of generating gain on a long term and not for trading purpose.

Financial assets at fair value through other comprehensive income initially stated at fair value plus transaction costs at purchase date.

Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in the interim statement of other comprehensive income and within owner's equity, including the changes in fair value resulting from translation of non-monetary assets stated at foreign currency. In case those assets - or part of them- were sold, the resultant gain or loss is recorded in the interim statement of comprehensive income within owners' equity and the reserve for the sold assets is directly transferred to the retained earnings and not through the statement of profit or loss.

These assets are not subject to impairment testing.

Dividends are recorded in the statement of profit or loss on a separate line item

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 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.

Accounts Receivable

Accounts 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.

Cash and Cash Equivalentents

Cash and cash equivalentents comprise cash on hand, deposits held at call with banks, other short- term highly liquid investments.

Accounts Payables and Accruals

Accounts payable and accrued payments are recognized upon receiving goods or performance of services.

Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Offsetting

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

Revenue Recognition

Interest income is recognized on time proportion basis that reflects the effective yield on the assets.

Other revenues are recognized on the accrual basis.

Foreign Currencies

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

Income Tax

Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from income declared in the interim 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.

3. Tax Status

- The Company has settled its tax liability with Income Tax Department up to the year ended 2014.
- The income tax returns for the years 2013, 2015 and 2016 have been filed with the Income Tax Department but the Department has not reviewed the company's records till the date of this report.
- No income tax provision have been taken on the company's results of operations for the three months ended at 31 March 2017 as there is no taxable revenues.

4. Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets of the company include cash and cash equivalents, accounts receivables, and securities. Financial liabilities of the company include bank facilities and accounts payable.

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 interim statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observe ability 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.

31 March 2017	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	137,292	-	396	137,688
31 December 2016	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	109,429	-	396	109,825

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.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the company's income or the value of its holdings of financial instruments. As most of the company's financial instruments have fixed interest rate and carried at amortized cost, the sensitivity of the company's results or equity to movements in interest rates is not considered significant.

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 interim comprehensive income for the period would have been reduced / increased by JOD (13,729) for the three months ended at 31 March 2017 (JOD 10,943 for 2016).

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 interim financial position date to the contractual maturity date.

31 March 2017	Less than one year	More than one year	Total
Amounts due to related parties	-	211,959	211,959
Payables and other liabilities	9,999	-	9,999
	<u>9,999</u>	<u>211,959</u>	<u>221,958</u>
31 December 2016	Less than one year	More than one year	Total
Amounts due to related parties	-	201,949	201,949
Payables and other liabilities	12,029	-	12,029
	<u>12,029</u>	<u>201,949</u>	<u>213,978</u>

5. 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 keeping a balance between shareholders equity and total debt.