

شركة التجمعات الإستثمارية المتخصصة م.ع.م.
SPECIALIZED INVESTMENT COMPOUNDS CO. plc.

الرقم : ت ١ م / 028 / 2017

التاريخ: 2017 / 05 / 15

السادة بورصة عمان المحترمين ✓

تحية واحتراما وبعد ،،،

عملا بتعليمات الافصاح يرجى العمل على استلام القوائم المالية الموحده لشركة التجمعات
الاستثمارية المتخصصة و المترجمه للغة الانجليزية الربع الاول لعام 2017.

وتفضلوا بقبول فائق الاحترام ،،،

شركة التجمعات الاستثمارية المتخصصة

رئيس مجلس الادارة

سعيد حياصات



بورصة عمان
الدائسرة الادارية والمالية
الديوان
١٥ ايار ٢٠١٧
الرقم التسلسل: 3129
رقم الملف: 31572
الجهة المختصة: [Signature]

نسخة الى : هيئة الاوراق المالية

المرفق: قوائم المالية للربع الاول لعام 2017 (مترجمه باللغة الانجليزية)

**SPECIALIZED INVESTMENT
COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

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

SPECIALIZED INVESETMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

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

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REPORT ON REVIEWING THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the president and members of the board of directors
Specialized Investment Compounds Company (P.L.C.)

Introduction

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

Scope of Review

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

Qualification Basis

1- Deficit in working capital amounted to JOD 4,913,036, which is a deficit in the ability of the company to realize its assets and fulfill its obligations in the context of normal work where JOD 200,000 is due as of December 6, 2015 for bonds have not been repaid plus due interests amounted to JOD 2,142,161. The Company decided in its unusual general assembly meeting dated December 15, 2015 decrease the Company capital from JOD 25,760,000 to JOD 8,100,000 through amortizing portion of the accumulated losses amounted to JOD 17,660,000 as of December 31, 2014, and increasing the capital from JOD 8,100,000 to JOD 16,000,000 through public offering or private offering or joining strategic partner, and the procedures have not been offered till the date of this report.

2- The accumulated losses amounted to JOD 6,265,325 as of March 31, 2017 which represent 77% of the Company capital.

Conclusion

Based on our review, except what was mentioned in basis of qualification above, nothing has come to our attention that causes us to be believe that the accompanying interim consolidated financial statements do not give a true and fair view in accordance with International Accounting Standard No. 34.

Ghosheh & Co.

Waleed Taha
License No. (703)

Ghosheh & Co. (CPA's)

A member of
Nexia
International

غوشه و شركاه (محاسبين معتمدين)

Amman-Jordan
April 26, 2017

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2017 AND DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	2017	2016
ASSETS		
Non-current assets		
Property and equipment	1,245,221	1,293,072
Projects under construction	1,002,017	1,002,017
Investments in lands	5,287,422	5,287,422
Investments in rented buildings -net	11,862,002	12,030,419
Real estate and lands held for sale	386,490	387,606
Financial assets designated at fair value through statement of other comprehensive income	118,796	107,230
Due from related parties	37,488	37,488
Total non-current assets	19,939,436	20,145,254
Current assets		
Prepaid expenses and other receivables	673,086	657,484
Tools and Supplies Inventory	23,482	22,811
Accounts receivable and checks under collection	3,391,466	3,493,623
Financial assets designated at fair value through statement of comprehensive income	1,572,594	1,468,497
Cash and cash equivalent	643,652	562,413
Total current assets	6,304,280	6,204,828
TOTAL ASSETS	26,243,716	26,350,082

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

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS OF MARCH 31, 2017 AND DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Note	2017	2016
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	1	8,100,000	8,100,000
Issuance premium		75,504	75,504
Statutory reserve		2,066,480	2,066,480
Voluntary reserve		2,278	2,278
Fair value reserve		8,008	(3,558)
Accumulated losses		(6,265,325)	(6,164,267)
Total shareholders' equity		3,986,945	4,076,437
Deferred revenues		3,352,462	3,584,758
Non-current liabilities			
Long-term bonds		7,400,000	7,400,000
Long-term loans		286,993	302,054
Total non-current liabilities		7,686,993	7,702,054
Current liabilities			
Accrued expenses and other liabilities		4,373,607	4,067,274
Accounts payable		2,651,304	2,621,252
Short term bonds payable		3,550,000	3,550,000
Current portion of long-term loan		101,328	111,600
Short – term capital lease commitments		541,077	636,707
Total current liabilities		11,217,316	10,986,833
Total liabilities		22,256,771	22,273,645
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		26,243,716	26,350,082

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

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED INCOME STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	FOR THE PERIOD ENDED MARCH 31, 2017	FOR THE PERIOD ENDED MARCH 31, 2016
Revenues	614,259	636,994
Cost of revenues	(405,572)	(412,476)
Gross profit	208,687	224,518
Selling and marketing expenses	(4,228)	(2,230)
General and administrative expenses	(85,506)	(139,518)
Other income and expenses – net	14,443	(125,729)
Unrealized gains of Financial assets designated at fair value through statement of comprehensive income	77,547	16,315
Realized losses from selling Financial assets designated at fair value through statement of comprehensive income	(7,423)	(22,689)
Margin account interests expenses	-	(95,243)
Financial charges	(304,578)	(341,681)
LOSS FOR THE PERIOD	(101,058)	(486,257)
 OTHER COMPREHENSIVE INCOME:		
Realized gains from selling Financial assets designated at fair value through statement of other comprehensive income	-	16,820
TOTAL OTHER COMPREHENSIVE INCOME	(101,058)	(469,437)
TRANSFERRED TO ACCUMULATED LOSSES	11,566	8,023
TOTAL COMPREHENSIVE INCOME	(89,492)	(461,414)
 Share loss:		
Loss per share-JOD/Share	(0,012)	(0,018)
Outstanding shares weighted average – share	8,100,000	25,760,000

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

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

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

	Share capital	Issuance premium	Statutory reserve	Voluntary reserve	Fair value reserve	Accumulated losses	Total
January 1, 2017 balance	8,100,000	75,504	2,066,480	2,278	(3,558)	(6,164,267)	4,076,437
Comprehensive income for the period	-	-			11,566	(101,058)	(89,492)
March 31, 2017 balance	8,100,000	75,504	2,066,480	2,278	8,008	(6,265,325)	3,986,945
January 1, 2016 balance	25,760,000	75,504	2,066,480	2,278	(9,214)	(22,988,644)	4,906,404
Comprehensive income for the period	-	-			8,023	(469,437)	(461,414)
March 31, 2016 balance	25,760,000	75,504	2,066,480	2,278	(1,191)	(23,458,081)	4,444,990

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

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

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

	FOR THE PERIOD ENDED MARCH 31, 2017	FOR THE PERIOD ENDED MARCH 31, 2016
OPERATING ACTIVITIES		
Loss of the period	(101,058)	(469,437)
Adjustments for loss of the period:		
Depreciation	214,461	195,463
Unrealized gains of Financial assets designated at fair value through statement of comprehensive income	(77,547)	(16,315)
Realized losses from selling Financial assets designated at fair value through statement of comprehensive income	7,423	22,689
Realized gains from selling Financial assets designated at fair value through statement of other comprehensive income	-	(16,820)
Financial charges	304,578	341,681
Changes in operating assets and liabilities:		
Financial assets designated at fair value through statement of comprehensive income	(33,973)	(13,513)
Accounts receivable, notes receivable, checks under collection and due from related parties	102,157	(186,982)
Change in Tools and Supplies Inventory	(671)	(2,985)
Prepaid expenses and other receivables	(15,602)	(49,766)
Accounts payable and deferred checks	30,052	(257,780)
Accrued expenses and other liabilities	306,333	302,624
Deferred revenues	(232,296)	60,945
Cash available from / (used in) operating activities	503,857	(90,196)
Paid financial charges	(304,578)	(341,681)
Net cash available from / (used in) operating activities	199,279	(431,877)
INVESTING ACTIVITIES		
Financial assets designated at fair value through statement of other comprehensive income	-	22,559
Change in property and equipment purchase	(903)	(2,720)
Change in investments in rented buildings-net	3,826	-
Net cash available from investing activities	2,923	19,839
FINANCING ACTIVITIES		
Financing of loans	(25,333)	450,000
Margin finance account	-	93,426
Capital lease commitments	(95,630)	(215,465)
Net cash (used in) / available from financing activities	(120,963)	327,961
Net change in cash and cash equivalents	81,239	(84,077)
Cash and cash equivalents, January 1	562,413	258,575
CASH AND CASH EQUIVALENTS, MARCH 31	643,652	174,498

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

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

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

1. ESTABLISHMENT AND ACTIVITIES

Specialized Investment Compound Company ("the Company") is a Jordanian public shareholding Company registered on August 7, 1994 under commercial registration number (252). The authorized and paid capital is JOD 25,760,000 divided to 25,760,000 shares of JOD 1 each.

The Board of directors decided in its extraordinary meeting dated in December 15, 2015 to decrease the share capital from JOD 25,760,000 to JOD 8,100,000 through amortizing part of the accumulated losses amounted to JOD 22,988,644 as of December 31, 2015 and increasing the share capital from JOD 8,100,000 to JOD 16,000,000 through public offering or private offering or joining strategic partner, the Company capital decrease and increase procedures completed where the authorized capital is JOD 16,000,000 and the paid capital is JOD 8,100,000, the increase in capital have not been offered till the date of this report.

The Company main activities are utilizing, developing and investing lands for establishing, selling and investing industrial buildings and specialized craft warehouses.

The Consolidated Financial Statements as of March 31, 2017 consist the financial statements of the following subsidiary:

Company	Place of registration	Paid capital	Vote and ownership ratio	Paid capital ratio	Main activity
Pluto residential projects	Jordan	JOD 850,000	100%	100%	Building and selling residential projects without interests and purchase, sell and invest in real estate and lands

The Company's share of subsidiaries's the operation outcomes for period ended in March 31, 2017 and December 31, 2016 determined by the equity method as follows:

The operation outcomes of investments in subsidiaries as December 31 determined by the equity method as follows:

	2017	2016
The Company's share of the results of Pluto residential projects Company	4,708	(57,948)
Book value of investment in Pluto residential projects	(175,427)	(180,135)

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

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

As of March 31, 2017 and December 31, 2016, the summary of the total assets, liabilities, and the results of the subsidiary, and the significant assets and liabilities items are as follows:

	2017	2016
Total assets	4,235,555	4,183,813
Total liabilities	4,410,982	4,363,948
Total shareholders' equity	(175,427)	(180,135)
Loss of the year	4,708	(57,948)
Investments in land	2,816,640	2,816,640
Share capital	850,000	850,000

2. NEW AND REVISED STANDARDS AND AMENDMENTS TO IFRSs ISSUED 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–Contract Revenues	January 1,2018
(IFRS) No.16 – Leases	January 1,2019

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

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

Significant accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the audited financial statements for the period ended 31 December 2016.

Basis of consolidating interim financial statements

The interim consolidated financial statements incorporate the financial statements of Specialized Investment Compounds 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.

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.

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)
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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.

Revenue recognition

Service revenues are recognized upon present of service and issuing invoice. Revenue from sale is recognized upon complete and presents the building to purchaser and transfer the risk to purchaser. Revenue from leasing is recognized on time basis so it reflects the actual return during the signed lease contract.

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 not specifically part of production costs as required under generally accepted accounting principles. When required allocations between general and administrative expenses and cost of sales are made on a consistent basis.

Cash and cash equivalents

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

Inventories

Inventories are stated at cost, which is determined by using (FIFO).

Notes receivable

Notes receivable are stated at amortized cost, and the interest rate that denominated on the date of financial statements is used to calculate its value.

Interest revenue is recognized at time basis.

Investments in associate company

Investments in companies which are at least 20% owned and in which the company exercises significant influence are recorded using the equity method, under which the investments is stated initially at cost and adjusted there after for the post acquisition change in the company's share of the net assets of the investee. These are referred to as associate companies. Company's share in the affiliated companies' net income/losses for the year is included in the statement of income.

Real estate for sale

Real estate for sale stated at the lower of cost or net realizable value.

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)
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(EXPRESSED IN JORDANIAN DINAR)

Projects under construction

Projects under construction appear at cost.

Investment in real estates

Rented Real estates are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful live of building using the straight line method and with annum rate ranged between 2% – 4%.

Allowance for Impairment of account receivables

Management estimated possibility of collection from the receivables and the allowance for doubtful debts provision had been estimated according to the previous experience and the prevailing economic environment.

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, 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.

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)
FOR THE PERIOD ENDED MARCH 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.

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

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

The Decline in value of the financial assets

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

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

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

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

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

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)

FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

De-recognition

The Company cancels the recognition of financial assets only when the contractual rights about the receipt of cash flows from the financial assets had ended, and substantially all the risks and benefits of the ownership that belong to another firm. In the case of the Company doesn't transfer or retain substantially the risks and benefits of the ownership and continue its control of the transferred assets, the Company in this case recognize its share retained 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 the ownership of the transferred assets, the Company will continue to recognize the financial assets.

The provisions

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

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

The decline in value of the non-current assets

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

The 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 reevaluation then record losses of the decline as reduction from re-evaluation provision.

In case, recovery losses for decline of the value, Increase the listed value of asset (or unit producing of cash) to the fair value of recovery as not to increase the adjusted listed value of asset (on unit producing of cash) as if it had not been calculating the losses of the value decline in the previous years. Record recovery of losses in value decline directly either in the profit or the loss except the asset had been recording in the re-evaluation value. In this case, record recovery of losses in value decline as increase in the re-evaluation provision.

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONTINUED)
FOR THE PERIOD ENDED MARCH 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.

The sector report represents

The business sector represents a collection of assets and operation engaged together in providing product or services subjected to risks and returns that are different from those of other business sectors, which are measured according to the reports that are used by the executive director and the main decision – makers in the Company.

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, the Company intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

Accounts receivable

Accounts receivable are recorded at the original amount less a provision for any uncollectible amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

Leasing contracts

Leases are classified as finance leases 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. The lease payments under finance lease are recognized as account receivables as of net value of the investment on the straight-line basis over the term of the relevant lease.

Rentals payable under operating lease are charged to the statement of comprehensive income on a straight line basis over the term of the relevant lease.

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

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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 assets using the straight line method. The estimated rates of depreciation of the principal classes of assets are as follows:

	Annual depreciation rate
Building	4%
Furniture and Office equipment	9-15%
Computers	25%
Vehicles	15%
Decoration	12%
Tools	20%
Cooling and heating equipment	15%
Bill boards	10%

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 items of property and equipment.

Income tax

The company is subject to Income Tax Law for the year 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 financial statements since it is 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 balance sheet 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 statement of income.

4. FINANCIAL INSTRUMENTS

Management of share capital risks

The Company manages its capital to make sure that the Company will continue when it takes the highest return by the best limit for debts and owners equity balances..

Structuring of Company's capital includes debts that consists of loans as shown in notes No. (18, 19, 20) and the owner's equity in the Company which includes share capital, issuance premium, reserves, fair value reserve, and accumulated losses as it listed in the changes in consolidated owners equity statement.

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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The debt ratio

The board of directors is reviewing the share capital structure periodically. As a part of this reviewing, the board of directors consider the cost of share capital and the risks that is related in each faction from capital and debt factions. The Company's capital structure includes debts from the borrowing. The Company does not determine the highest limit of the debt ratio and it does not expect increase in the debt ratio.

Financial risk management

Include the risks those they may be exposed to the following risks:

Currency risk

When consolidating financial statements of subsidiaries outside Jordan with the parent Company, the assets and liabilities are exchanged as of financial position date to Jordanian Dinar by exchange rates as at the year end, for revenues and expenses it exchanged based on average exchange rates for the period, exchange differences, if any, included in owners' equity.

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, the financial instruments in the consolidated statement of financial position are not subject to interest rate risk with the exception of due to banks and loans that are subject to current market interest 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.

Management of liquidity risks

Board of directors is responsible for management of liquidity risks to manage the cash requirements, short, medium and long term liquidity. The Company managed the liquidity risks through controlling the future cash flow that evaluated permanently and correspond the due dates of assets and liabilities.

5. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

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