

BiNDAR
Finance & Trading
P.L.C

بندار
للتموليل والتجارة
ش.م.ع

Bindar Trading & Investment Co.

P.L.C

**13th Annual
Report 2016**



His Majesty
King Abdullah II Bin Al Hussein



**H.R.H Crown Prince
Hussein bin Abdullah II**

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Board of Directors

- **Mr. Feras Elyas Saade**
- **Mr. Marco Botros Mohareb**
- **Mr. Waheeb Abdullah Al-Salem**
- **Mr. Muneer Hasan Taher**
- **Mr. Firas Mohammad Hasan Al-Saifi**
- **Mr. Ilker Erden**
- **Mr. Taher Saleem Khalil Assaf**
- **Mr. Hani Mohammad Gamal El-Afghani**

Chairman Of The Board

Representing Financial Assets Bahrain W.L.L.

Vice-Chairman Of The Board

Representing Financial Assets – Mena W.L.L.

Member Of The Board until 19/4/2016

Member Of The Board

Representing Gimbal-Directorship-2 W.L.L.

Member Of The Board until 07/04/2016

Representing Financial Assets- Bahrain

Member Of The Board until 07/02/2016

Representing Financial Assets – Mena W.L.L.

Member Of The Board

Member Of The Board starting 07/02/2016

Representing Financial Assets – Bahrain W.L.L.

Executive Management

- **Mr. / Nabil Abdullah Sha'ban**
- **Mr. / Khaled AbdelKhaleq Yahya**

General Manager

Assistant General Manager / Finance Manager

Auditors

- **Deloitte & Touche (M.E.). – Jordan**

Chairman's message

Dear Shareholders,

It is a pleasure for me and my fellow Board members to welcome you and to present the Annual Re-port of the Company and the results of its operations and achievements for the financial year end-ed 31/12/2016, and please allow me to thank you for accepting the invitation to attend the Annual General Meeting of your Company.

Dear Shareholders,

Bindar Trading and Investment has shown honorable results on the local level despite the challenging economic and political situation in the region and its negative consequences on the surrounding countries as a whole and the Kingdom specifically. The Company was able to maintain its presence in the local market and its continuity in providing its financing services in addition to its persistence on achieving its plan and vision aiming to increase its income and profits by growing its portfolio and lifting the level of competency in its business. During 2016, the Company was able to increase its sales volume to reach JD 17.3mn with an 11% p.a. growth as compared to 2015, and the Company recorded operating profits of JD 5.6mn for 2016 with a growth of 5% p.a. as compared to 2015, and the Company earned net profit after tax of JD 1.88mn with a return of 9.4% on Company capital of JD 20mn.

The Company also aims to achieve its strategy through geographic expansion and opening new branches in several areas, At the beginning of 2016, the Company started operating its new branch in Sports City area, and is currently studying the establishment of new branches in order to expand its business and increase its market share which contributes in achieving growth in its portfolio and number of clients.

In our quest to provide new solutions and services that support the various Company operations in terms of granting credit, the Company signed a Memorandum of Understanding with "CRIF Jor-dan", and this credit inquiry unit will be one of the important tools in terms of providing a full view of the borrowers and which was previously unavailable and this will assist in facilitating taking credit decisions in a swift and highly competent manner.

Dear Shareholders,

Lastly, I would like to express my deepest gratitude and appreciation for the shareholders who have contributed to the achievement of our goals in alignment with the Company's vision and strategic goals and I would like to thank my fellow board members and the Company's management and its staff who have faithfully worked in putting their efforts and dedication towards the Company's progress and success and I hope that our efforts are fruitful in achieving the Company's aspirations and goals, bringing prosperity to our dear Shareholders and the Jordanian economy under the banner of his Majesty King Abdullah the Second bin Hussein

Chairman of the Board

Report of the Board of the Directors

Dear Shareholders,

The Board is pleased to welcome you to the 14th ordinary meeting of the General Assembly of the Company as the Board is pleased to present to you the 13th Annual Report on the activities of the Company and results for the fiscal year ended 31/12/2016.

Bindar Trading & Investment ("Bindar") was incorporated on 17/4/2000 as a trading and investment company specialized in installments sales operations of durable consumer goods, specifically cars. Bindar was one of the first shareholding companies in Jordan operating in this sector.

Since the establishment of the Company, the share capital of your Company has increased its capital to match the development in its operations.

Evolution of the Paid Up Capital from 2004 to 2016



Shareholders,

The following data shows the values of the Company's activities until 2016

1-Installment sales

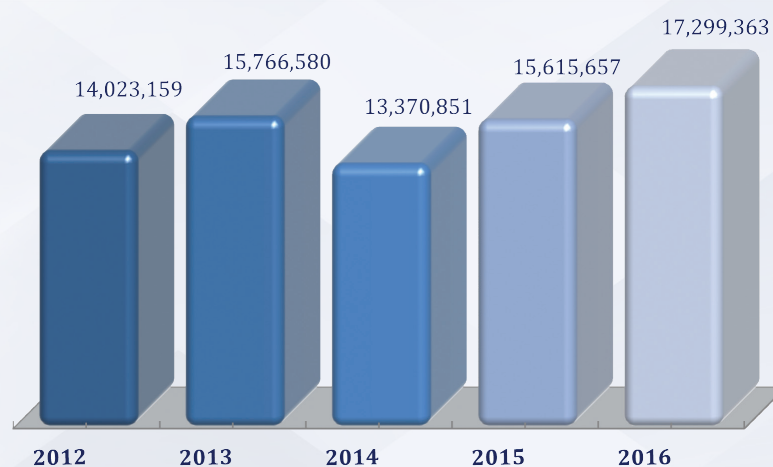
Year	2012	2013	2014	2015	2016
Number of Transactions	1369	1445	1131	897	1135
Sales (JD)	14,023,159	15,766,580	13,370,851	15,615,657	17,299,363
Monthly Average (JD)	1,168,597	1,313,882	1,114,238	1,301,305	1,441,614
Average per transaction (JD)	10,243	10,911	11,822	17,409	15,242

From the table above, the information can be represented in charts as follows:

1-A: The number of transactions in the last five years:



1-B: Volume of the sales in the last five years:

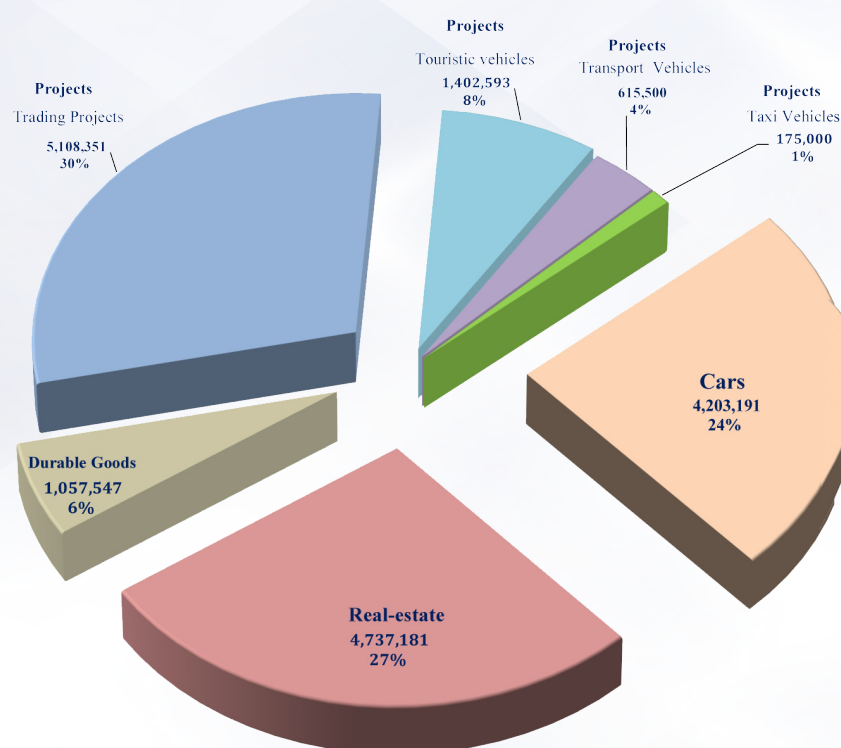


C: Distribution of the sales according to the categories in:

The sales of 2016 distributed on a categories as table below:

Category	No. of transactions	Amount financed	Percentage
Cars	302	4,203,191	24%
Real-estate	111	4,737,181	27%
Durable Goods	600	1,057,547	6%
Projects-Trading	104	5,108,351	30%
Projects-Touristic vehicles	10	1,402,593	8%
Projects- Transportation Vehicles	5	615,500	4%
Projects- Taxi Vehicles	3	175,000	1%
Total	1,135	17,299,363	100%

The chart below shows the distribution of sales according to category:

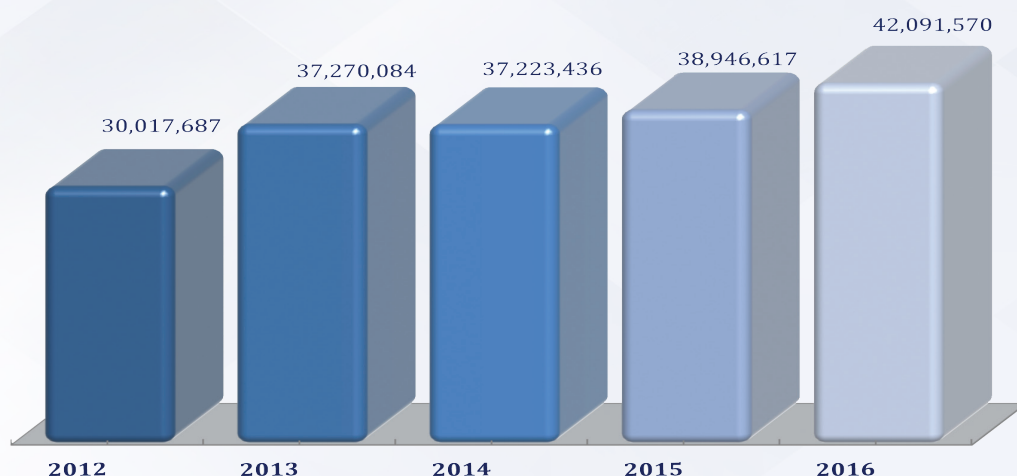


2-Receiveables of sales installments

2-a: Receiveables of annual installments sales

Year	2012	2013	2014	2015	2016
Receiveables of installments sales JD	30,017,687	37,270,084	37,223,436	38,946,617	42,091,570

Chart of receivable for the period from 2012 to 2016



2-b) Net installments receivable broken down by years

Due Year	Amount / JD
2017	21,473,265
2018	10,328,214
2019	5,711,721
2020	2,666,747
2021	1,299,042
2021<	612,581
Total	42,091,570

3-Collection of Installments

The collection of installments operations carried out through specific policies and procedures which are subject to periodic review, as these policies and procedures are subject to precise standards which are developed continuously.

4- Rate of return on capital:

- The statements listed below shows rates of return on capital since 2012 until 2016.

Year	2012	2013	2014	2015	2016
Paid up Capital	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total Revenues	4,033,686	5,012,482	5,281,223	5,333,422	5,609,171
Net profit before tax	1,397,261	1,641,118	745,468	1,714,912	2,494,652
Return on invested capital rate	7.0%	8.4%	3.7%	8.6%	12.5%
Net profit after tax	1,221,231	1,380,639	346,527	829,166	1,888,216
Return on invested capital rate	6.2%	6.9%	1.7%	4.1%	9.4%
Dividends	940,000	600,000	-	800,000	1,600,000
Distribution rate	4.7%	3.0%	-	4.0%	8.0%

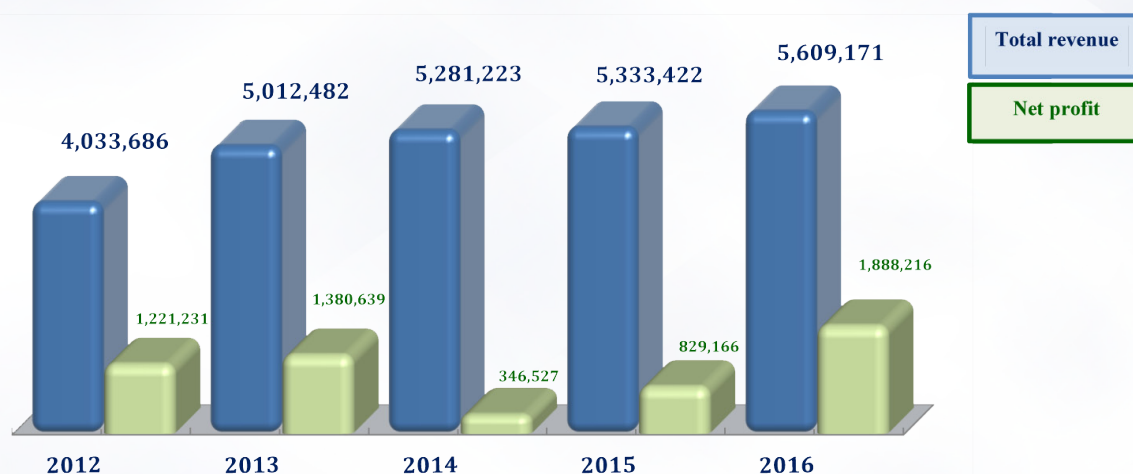
5- Statement of profits, losses and distribution

The table below shows chronology of the Company's profits distributed to shareholders

Year	2012	2013	2014	2015	2016
Total revenues	4,033,686	5,012,482	5,281,223	5,333,422	5,609,171
Total expenses	2,601,425	3,336,365	4,513,005	3,583,510	3,086,186
Board remuneration provision	35,000	35,000	22,750	35,000	28,333
Net profit before tax	1,397,261	1,641,118	745,468	1,714,912	2,494,652
Income tax provision	176,030-	260,479-	398,941-	885,746-	606,436-
Net profit for the period after tax	1,221,231	1,380,639	346,527	829,166	1,888,216
Statutory reserve	150,354	162,239	94,880	238,242	249,910
Net profit after reserve	1,070,877	1,218,400	251,647	590,924	1,638,306
Accumulated retained earnings	6,008,483	7,226,883	7,478,530	8,069,454	9,707,760
Retained earnings	1,338,667	1,617,067	848,964	1,439,888	2,278,194
Dividends paid	940,000	600,000	-	800,000	1,600,000
Balance of retained earnings	398,667	1,017,067	848,964	639,888	678,194

6- Total revenue and net profit

The Chart below shows the total revenue and net profit for the period from 2012 to 2016

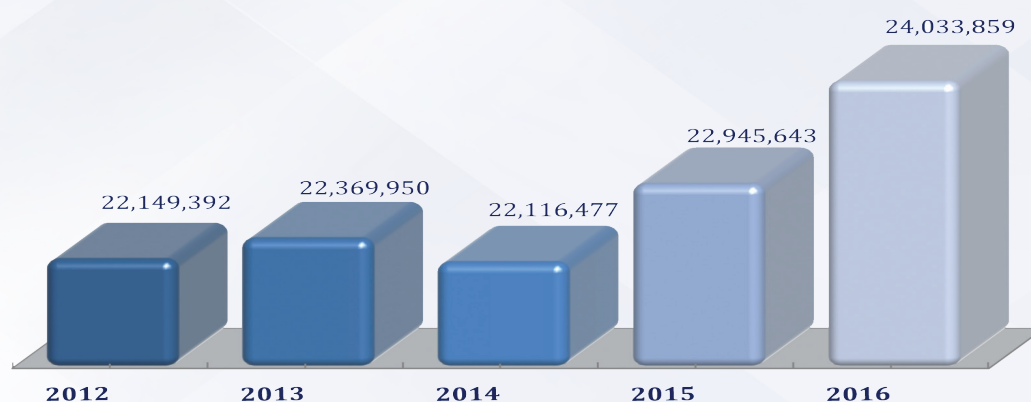


7- Evolution of shareholders equity

The following table shows the shareholders equity development as below:

Year	2012	2013	2014	2015	2016
Shareholder equity	22,149,392	22,369,950	22,116,477	22,945,643	24,033,859
Return rate on the shareholders equity	5.5%	6.2%	1.6%	3.6%	7.9%

The chart below shows the evolution of shareholders equity from 2012 to 2016



8- The price of securities:

The closing prices of the company's shares as of the last 5 years are shown in the table and chart below:

Year	2012	2013	2014	2015	2016
Closing price	0.92	0.85	0.7	0.7	0.7
EPS	0.062	0.069	0.017	0.041	0.094



Recommendations of the Board:

The Board recommends the agenda supplied with the invitation to the shareholders to hold the 14th ordinary general assembly of the Company containing the following:

1. Reading the minutes of the previous ordinary meeting of the Assembly held in 19/04/2016.
2. Discuss the report of the Board of the Company for the financial year ended 2016 and the future business plan of the Company and approve it.
3. Hear the auditor's report for the financial year ended 31/12/2016.
4. Discuss the consolidated financial statement for the financial year ended 31/12/2016 and approve it.
5. Approve the recommendation of the Board to distribute 8% of capital which equals JD 1,600,000 and retain the remainder of profits into the coming year 2017.
6. Discharge the Chairman and Members of the Board for the financial year ended 31/12/2016.
7. Appoint the Company's auditors for the financial year 2017 and fix their fees.
8. Any other matters proposed by the General Assembly for inclusion in the agenda that are within their powers, provided that the proposal shall be approved by shareholders owning at least 10% of the shares represented at the meeting.
9. Authorize the Board implementing the resolutions of the ordinary General Assembly and to take all appropriate actions relevant thereto for the benefit of shareholders and in accordance with the provisions of the Companies Act and other laws in force.

Dear Shareholders,

The Board represented by its president and members are thanking you for attending this meeting and wish you and the Company lasting success.

Board of Directors

Clarifications in accordance with the requirements of J.S.C.

First:

a. The main activities of the Company:

- Financing vehicles, real estate, consumer durables, small projects, medical & industrial equipment, and selling them in cash and / or in installments.
- The Company's main activity has been focused since inception on buying vehicles from the local market and re-selling them in installments, as well as real estate such as apartments and residential land.
-

b. The Company's geographic locations and number of employees in each of them:

1. Headquarters: located in the Tla Al Ali - Al Madinah Al-Monawrah St. - Al Saad Commercial Building No. 241 on the second floor with Headquarters (39) employees.
2. Wadi Saqra Branch: located in Wadi Saqra Street, King Abdullah Gardens, Al-Dabbas Commercial Building No. (12) - the third floor, contains (5) employees.
3. Al Wehdat Branch: Located in Al Wehdat - khawla bent Al Azwar St. - Afanah Commercial Building, contains (3) employees.
4. Irbid Branch: Located in Firas Al Ajlouni street - Sulaiman Khrais Complex, and contains (3) employees
5. Sport city Branch: Located in Sarh Al Shaheed Street-Building 110, contains (3) employees

c. The size of the capital investment of the Company:

The size of capital investment for the Company amounts to JD 24,033,859 as at 31/12/2016.

Second: Subsidiaries:

a-A'ayan for agencies, trade and investment:

A'ayan was established as a limited liability company registered in the Ministry of Industry under No. 11313 on 28/3/2006 with a capital of JD100,000. The idea of establishing A'ayan company came due to increased need in the Jordanian market for companies specialized in real estate investment, and since Bindar has introduced real estate finance, creation of a company specialized in real estate was considered feasible and would help achieve maximum utilization of capital and liquidity. The company has rented offices in Amman and purchased lands in the south of Amman for development and marketing thereafter.

b- Rakeen for Investment

Rakeen was established as a limited liability company in the Ministry of Industry under No. 21149 on 11/3/2010 with a capital of JD30,000. The company was established to be another company operating in the field in real-estate investment some land plots were registered in its name.

C- Bindar leasing Company:

It was established as a limited liability company in the Ministry of Industry under No. 34128 on 29/09/2013 with a capital of JD 1,000,000. The company was established to operate in the field of leasing as a new product needed in the Jordanian market.

Third:

a. A brief on the board members:

1- Mr. Firas Elyas Saade

Chairman Of The Board –Representing Financial Assets. – Bahrain

Date of membership	:	27/04/2011
Date of Birth	:	16/02/1980
Academic Degrees	:	<ul style="list-style-type: none">B.A in Business Administration-Accounting and Finance from the Lebanese University-Beirut.A CFA Charter holder from the United States since 2011Passed the United States CPA Exams in 2005.
Practical Experience	:	<ul style="list-style-type: none">Over 13 years of experience in private equity, investment banking, advisory, auditing and commercial banking in Kuwait and Bahrain

2-Mr. Marco Botros Muhareb

Vice-Chairman Of The Board Representing Financial Assets – Mena

Date of membership	:	12/09/2011
Date of Birth	:	05/06/1976
Academic Degrees	:	<ul style="list-style-type: none">B.A in Trade - Accounting "Accounting and Administration Faculty" –HelwanUniversity - EgyptHigh Diploma in companies evaluation, feasibility studies from Finance and Political Science Faculty – Cairo University - Egypt.Certified Legal Accountant from the Ministry of Finance - Egypt.
Practical Experience	:	<ul style="list-style-type: none">Over 15 years of experience in private equity, corporate finance, advisory and transaction services

3-Mr. Waheeb Abdullah Abdelrahman Al Salim

Board Member until 19/04/2016

Date of membership	:	25/08/2004
Date of Birth	:	05/02/1961
Academic Degrees	:	<ul style="list-style-type: none">B.S in Mechanical Engineering – Yarmouk University - Jordan 1984
Practical Experience	:	<ul style="list-style-type: none">Extensive experience in oil and gas projects including manufacturing and mining in Kuwait and Oman.General Manager for Mr. Munib Al Masri companies group and Mr. Sabih Al Masri formally in Oman.Worked as an Executive Manager for Sohar Smelting and Marine engineering

4-Mr. Munir H. Taher

Board Member / Representing Gimbal-directorship-2 W.L.L

Date of membership	:	19/07/2012
Date of Birth	:	03/01/1977
Academic Degrees	:	<ul style="list-style-type: none">Chartered Certified Accountants (UK)Holds a CFA certification from the United States 2014
Practical Experience	:	<ul style="list-style-type: none">Investment and finance professional with over 13 years of working experience in the Middle East and Africa covering asset management, private equity, fund management and corporate finance.Specialties include strategic development, financial and operational restructuring, divestments and valuations

5- Mr. Firas Mohammad Hasan Al-Saifi

Board Member / Representing Financial Assets-Bahrain until 07/04/2016

Date of membership	:	11/07/2013
Date of Birth	:	18/06/1976
Academic Degrees	:	<ul style="list-style-type: none">BA in Law, Amman University, Amman, Jordan 1999.L.L.M. International Business Law, University of Hull, (U.K.) 2001,.
Practical Experience	:	<ul style="list-style-type: none">1999-2008 Partner Lawyer at Al-Saifi & Co Law Firm, Amman, JordanApr 08 - August 08: Legal Consultant at Talal-Abu Ghazaleh Legal Regional Office (TAGLEGAL).August 08 - May 09 : Legal Manager at Talal-Abu Ghazaleh Legal (TAGLEGAL) Kuwait Office.May09 - March 2010 : Legal Consultant at Global Investment House, Kuwait.April 2010-present: Legal Manager at Universal House Brokerage UHB (Fully owned By Global Investment House, Kuwait.)Member of the Jordanian Bar Association.

6-Mr. / Ilker Erden

Board Member / Representing Financial Assets – Mena until 07/02/2016

Date of membership	:	27/04/2015
Date of Birth	:	18/11/1982
Academic Degrees	:	Bachelor of Arts in Business Administration from Bogazici University (2005), Tur-key
Practical Experience	:	<ul style="list-style-type: none">Cumulative 10 years of private equity and investment banking experienceVice President at Global Capital Management since 2014 Worked for Invest AD Private Equity Istanbul office and HSBC Principal Invest-ments Istanbul office, the global private equity arm of HSBC GroupWorked at Finans Invest, a Turkish local investment bank, advising M&A transactionsHe started his professional career at Ernst & Young Corporate Finance Istanbul office

7-Dr. Taher Saleem Khalil Assaf

Board Member

Date of membership : 23/12/2015

Date of Birth : 15/09/1951

Academic Degrees : • Ph.D. in Finance, Investment and Banking.
University of Wisconsin –Madison August 1984
• Masters of Business Administration (MBA)
Monmouth University- West Long Branch, New Jersey USA January 1979
• Bachelor of Science Degree With Honors.
Faculty of Commerce And Political Sciences. University of Kuwait June 1975

Practical Experience : • Arab national leasing Co.- General Manager Aug. 1997 to Sep. 2012
• Sukhtian brothers' Co.- Regional Manager Feb.1996 to Aug. 1997
• Zaytoon University -Dean,- School Of Business Aug. 1994 to Jan. 1996
• Munir Sukhtian Co. -General Manager Jan. 1988 to Aug. 1994
• Abu-Ghazaleh & Co. consulting-Consulting Manager Feb. 1985 to Apr. 1988
• Yarmouk University Assistant Professor Sep.1984 to Feb. 1985
• University of Wisconsin –Madison Research Assistant Sep. 1980 to Sep. 1984.
• Offered a number of courses in the MBA and Doctoral Programs in the field of finance and investments.

8- Mr. Hani Mohammad Jamal El Afghani

Representing Financial Assets – Bahrain

Starting 07/02/2016

Date of membership : 07/02/2016

Date of Birth : 26/07/1983

Academic Degrees : • Bachelors in Honors in Mechanical Engineering from Queen Mary, University of London, U.K. (Date : 2006)
• MBA from Hult University, London, U.K. (Date : 2012)

Practical Experience : • -Kharafi National 2007-2008 (Kuwait)
• -Global Investment House 2008-2011 (Kuwait)
• -Probitas Partners 2012-2015 (London, U.K.)
• -Global Investment House 2015 up to date (Kuwait)

b. A brief on the senior management:**1- Mr. Nabil Abdullah Sha'ban****General Manager**

Date of membership : 01/06/2014

Date of Birth : 09/04/1967

Academic Degrees : • B.S.C financial and Banking. Al Isra private University- Jordan

Practical Experience : • 24 years Jordan Kuwait Bank

• Retail facilities and individuals / Manager of SELL – Term (CAR Financing Unit)

2- Mr. Khaled AbdelKhaleq Mohammed Yahya**Assistant General Manager / Finance Manager**

Date of membership : 01/09/2006

Date of Birth : 06/04/1965

Academic Degrees : • B.A in Economic, Accounting Specialty - Damascus University- Syrian Arab Republic

Practical Experience : • Over 25 years of experience in financial management, administration, and con-sultations in many companies.

• Experience in the field of development and training in the areas of administra-tive, financial, sales and marketing

• Experience in preparation of financial and administrative studies .

Forth : Names of major shareholders

NO.	Name	31/12/2015		31/12 /2016	
		No. of shares	percentage	No. of shares	percentage
1	Financial Assets.Bahrain	8,142,857	40.71%	8,142,857	40.71%
2	Financial Assets.MENA	6,057,279	30.29%	6,057,279	30.29%
3	Gembal Holding Co.	4,199,715	20.99%	4,199,715	20.99%
4	Ahmad Waleed Abdullah Al-Salem	220,499	1.10%	232,600	1.16%

Fifth: The competitive position of the Company within the sector of its activity, its key markets and its share of the domestic market and abroad:

The main market for the Company's activities is confined to the domestic market (in general) and the Company's main activity is confined to installment sales of durable consumer goods in general, and to sale of cars in particular, away from any direct or indirect lending and the results thereof as the Company activity is significantly different concept, style and substance from the commercial banks based primarily on lending operations. The Company's share in this sector is 3%.

On the other hand, the Company's competition in the real estate sector is limited compared with banks and companies specialized in installments of real estate in terms of duration and amount of installment, but the Company offered its services to many of its customers and within the limits calculated striving to increase the size of our share in this sector in the future.

Sixth: The extent of dependence on specific suppliers:

There is no dependence on key suppliers or customers locally and abroad representing 10% or more of the total purchases and / or sales

Seventh: The government protection or privileges enjoyed by the Company or any of its products under the laws and regulations or other:

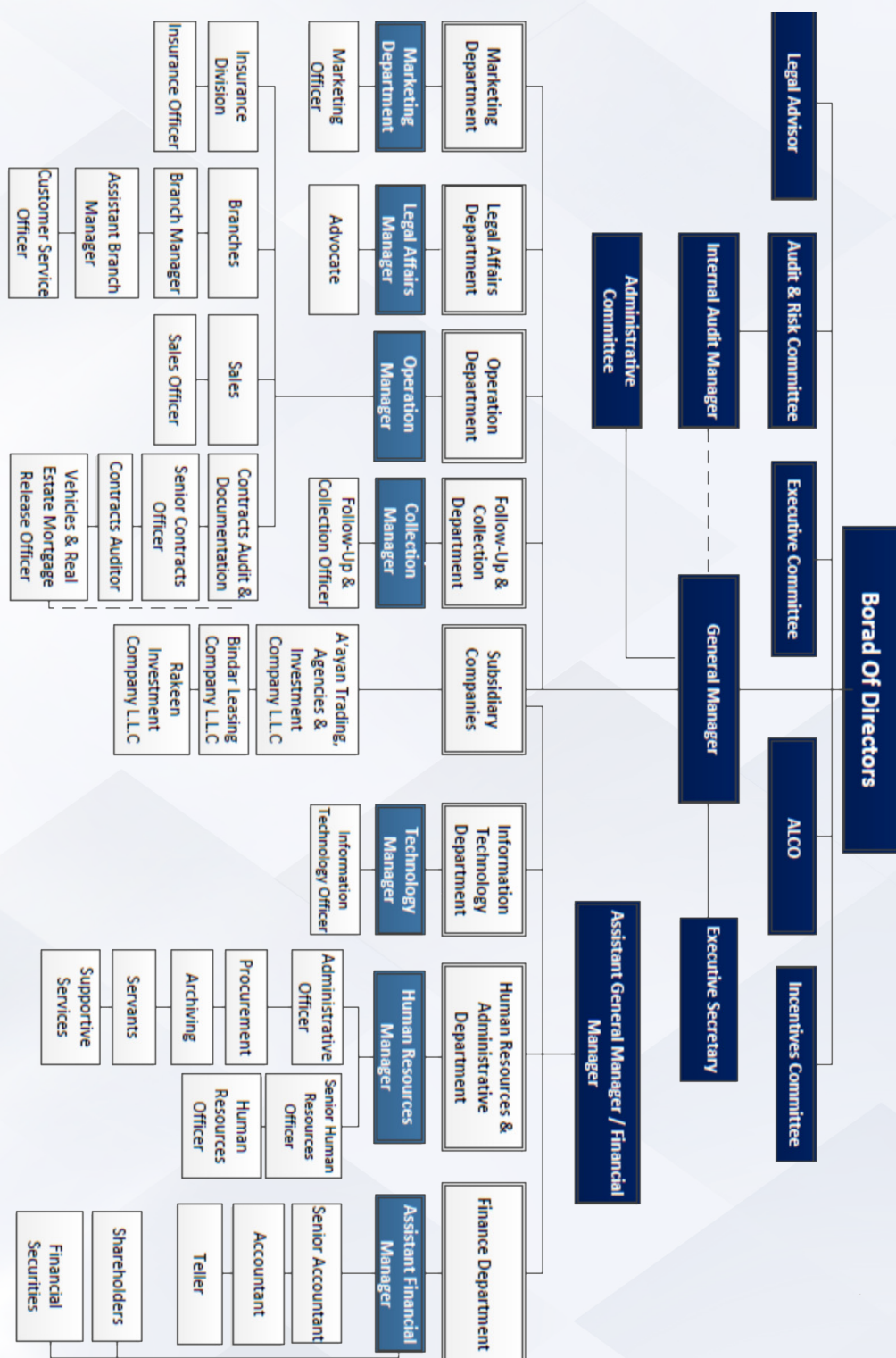
- There is no government protection or any privileges enjoyed by the Company or any of its products under the laws and regulations or other.
- There are no patents or franchise rights acquired by the Company.

Eight: Resolutions adopted by the government, international organizations or other have a material effect on the work of the company, its products or its competitive ability:

- There are no resolutions adopted by the government or international organizations or other having a material effect on the work of the Company, its products or its competitive edge.
- The Company doesn't apply the international quality standards.

Ninth:

a. Organizational structure of the Company



b. Number of Employees and categories of qualifications

Qualifications	Employees No of the parent Company
PHD	-
Master	2
Higher Diploma	-
BA	38
Diploma	7
High School	4
Less than high school	2

c. Training programs for Company employees:

No.	Course Name	No. of employees
1	Etiquette course	12
2	Credit principles course	12
3	Credit Financial Analysis	11
4	Leasing course	14
5	Prepare the credit studies	11
6	Know your client (KYC)	12
7	Central Bank instructions regarding non-performing debt	12
8	Problem solving skills and decision making	11
9	Operational Planning Course	11
10	Build an integrated and effective team	11
11	Effective Communication skills	11
12	Time management skills and dealing with the pressure of work	11

Tenth: Risks faced by the Company

The Company didn't encounter in 2016 any risks affecting the work or the results of its business and as the Company doesn't foresee any risks it may be exposed to 2017 as the nature of the Company work shall be according to the prior plans to all activities carried out by the Company.

ELEVENTH: The achievements of the Company during the financial year 2016:

1. The Company's ability to settle its obligations on time.
2. Commencing the work and operating the new branch in the Sports City area
3. Maintain the sales growth and portfolio despite all the economic and political circumstances.
4. Signed an agreement with (CRIF- credit bureau services) to provide credit information service.
5. Maintain confidence in dealing with the banks, which facilitates the acquisition of new loans .

Twelfth: The financial impact of non-recurrent nature operations occurred during the financial year and doesn't fall within the Company's main activity::

There is no financial impact to the non-recurrent nature operations occurred during the financial year and doesn't fall within the Company's main activity.

Thirteenth: The time series of profits or losses, dividends, net equity and securities prices for a period of not less than five years or since the establishment of the Company, whichever is less: :

Statement	Years				
	2012	2013	2014	2015	2016
Net retained profits	1,338,667	1,617,067	848,964	1,439,888	2,278,194
Dividends *	940,000	600,000	-	800,000	1,600,000
Net shareholder equity	22,149,392	22,369,950	22,116,477	22,945,643	24,033,859
Stock price	0.92	0.85	0.7	0.7	0.7

* Based on the recommendation of the Board, the Company will distribute 8% of capital which equals JD 1,600,000 and post the rest of profits into the coming year 2017.

Fourteenth: Analysis of Company's financial position and the results of its operations during the fiscal year:

No.	Financial rates	2012	2013	2014	2015	2016
1	Return on invested capital	6.2%	6.9%	1.7%	4.1%	9.4%
2	Net profit margin	30.3%	27.5%	6.6%	15.6%	33.7%
3	Trading rate	174.7%	142.7%	133.7%	225.3%	250.3%
4	Coverage rate of interests	306.0%	262.5%	164.8%	236.2%	279.9%
5	Debt to shareholders equity	40.4%	55.2%	43.7%	65.6%	64.9%
6	Total liabilities to assets	32.5%	39.1%	40.2%	42.6%	40.8%
7	Debt to capital	44.8%	61.8%	48.3%	75.2%	78.0%
8	Equity to total assets	67.5%	60.9%	59.8%	57.4%	59.2%

Fifteenth: Main future developments and the future plan of the Company:

1. Increase the company's sales volume with growth rate not less than 15%, which contributing to in-creased revenue
2. To achieve the objectives of shareholders to improve the company's financial position and increase profitability.
3. Maintain qualified personnel in the company and continue Staff training courses
4. The application of modern systems and methods in the field of financing.
5. Coordination with any official body to ensure the solvency of potential customers, to improve the quality of customer portfolio.
6. Reduce the financing risks to the minimum, by linking with credit information providers.

Sixteenth: The audit fees for the Company and its subsidiaries and the amount of any fees for other services received by the auditor and/or due to them::

The audit fees including the tax for Bindar and its subsidiaries for the year 2016 amounted to JD 20,351.

Seventeenth:

a. The number of securities owned by the Members of the Board:

No.	Name	Position	Nationality	Shares No. as on		Shares No. owned by the companies controlled by any of them
				31/12/2015	31/12/2016	
1	Financial Assets – Bahrain	Chairman	Bahrain	8,142,857	8,142,857	---
2	Financial Assets – Mena	Vice-chairman	Bahrain	6,057,279	6,057,279	---
3	Firas Elyas Saade	Member of Board	Lebanon	---	---	---
4	Waheeb Abdullah Abdularhman Al-Salem	Member of Board	Jordan	10,000	---	---
5	Marco Botros Mohareb	Member of Board	Egypt	---	---	---
6	Muneer HasanTaher	Member of Board	Kenya	---	---	---
7	Firas Mohammad Hasan Al-Saifi	Member of Board	Jordan	90	90	---
8	Ilker Erden	Member of Board	Turkey	---	---	---
9	Taher Saleem Khalil Assaf	Member of Board	Jordan	10,000	10,000	---
10	Gimbal-directorship-2 W.L.L	Member of Board	Bahrain	10,000	10,000	---

b. The number of securities owned by persons of executive senior management

No.	Name	Position	Nationality	Shares No. as on		Shares No. owned by the companies controlled by any of them
				31/12/2015	31/12/2016	
1	Nabil Abdullah Sha'ban	General Manager	Jordan	26,948	26,948	---
2	Khaled Abdelkhaleq Yahya	Ass. General Manager/ Finance Manger	Jordan	----	----	---

c. The number of securities owned by the relatives of board members and relatives of persons of senior management executive

There are no any ownership of shares by any of the relatives of the members of the board of directors or senior executive management.

Eighteenth:

A. Benefits and rewards enjoyed by both the chairman and members of the Board of Directors:

- The amount JD 150 was calculated as monthly transportation allowance for each member of the board, JD11,700 for the year 2016
- The amount JD 5,000 was calculated for each member of the board as remuneration for the year 2016
- The amount JD 27,922 was calculated as remuneration the General Manager for the year 2016
- The amount JD 53,304 was calculated as remuneration for the employees for the year 2016
- The total salaries paid to the General Manager during 2016 was amounted to JD 84,622
- The total amount paid to the Assistant General Manager / Finance Manager in 2016 amounted to JD 56,175.

b. Benefits and rewards enjoyed by the senior executives:

No.	Name	Position	Total annual salaries	Annual transportation allowance	Annual rewards	Annual travel expenses	Total annual benefits
1	Nabil Abdullah Sha'ban	General Manager	82,222	2,400	27,922	-	112,544
2	Khaled Abdelkhaleq Yahya	Asst. General Manager/Finance Manager	54,975	1,200	3,501	-	59,676

Nineteenth: Donations and grants paid by the Company during the financial year

No.	Name of organization	Amount
1	Abu Nusair sport club	100
2	Holly Jerusalem protection Society	100
3	The Conservation Of The Holy Quran Society	555
4	Other	728
	Total	1,483

Twentieth: Contracts, projects and links held by the issuing Company with subsidiaries, affiliates, allies or Chairman of the Board of Directors or members thereof or the General Manager or any employee in the Company or their relatives: :

There are no contracts, projects or commitments held by the issuing Company with subsidiaries, affiliates, allies or Chair-man of the Board of Directors or members of thereof or the General Manager or any employee in the Company or their relatives.

Twentieth-one:

a - The Company's contribution to the protection of the environment:

The Company has no contribution in the protection of the environment.

b - The Company's contribution in community service:

The Company has no contribution in community service.

Applying of Companies Governance


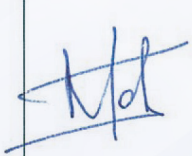

1. The company is committed to applying all mandatory rules (general and per-emptory) mentioned in the directory of public shareholding companies' regulations in Amman Stock Exchange, and it also implement most of the guiding regulations mentioned in the same directory except a group which was not implement-ed due to the companies law and Jordan Securities Commission regulations as ex-plained below:

No.	Guiding regulations not implemented	Reason
1	The date of disclosure of financial statements is announced 3 business days beforehand	Financial statements announced on the day of its issuance according to the instructions of the regulatory authorities and effective legislations
2	The audit committee and nominations & remunerations committee shall present their decisions and recommendations to the board and a report regarding their duties to the annual General Assembly meeting	This term is partially implemented as the two committees present their decisions and recommendations to the board only
3	The board shall send an invitations for every shareholder to attend the General Assembly meeting either by hand or by sending it to the personal mail or email of the shareholder 21 days prior to meeting date	Since there isn't an email address available for each shareholders, invitations are sent by mail 14 days prior to the meeting date according to companies laws

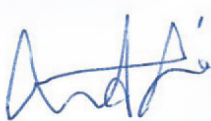


2. In 2016 the number of Board of Directors meetings, was (6) meetings.

Declaration

1. The Company's board recognizes that there are no substantive matters which may affect the continuity of the Com-pany during the next financial year.
2. The Company's board shall be responsible for the preparation financial statements and provide an effective control system in the company.

Chairman of the Board	Vice-chairman of the Board	Member	Member
Name: Feras Elyas Saade	Name: Marco Botros Mohareb	Name: Munir Hasan Taher	Name: Taher Saleem Khalil Assaf
Signature: 	Signature: 	Signature: 	Signature: 

3. We, the undersigned, recognize the validity, accuracy and completeness of the information and statements contained in the annual report.

Chairman of the Board	General Manager	Financial Manager
Name: Feras Elyas Saade	Name: Nabil Abdullah Sha'ban	Name: Khaled AbdelKhaleq Yahya
Signature: 	Signature: 	Signature: 

C- The annual financial statements of the Company audited by its auditors, compared with the previous year, which include:

BINDAR TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONOSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT

BINDAR TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
DECEMBER 31, 2016

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INDEPENDENT AUDITOR'S REPORT

AM/81651

To the Shareholders of
Bindar Trading and Investment Company
Amman – The Hashemite Kingdom of Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Bindar Trading and Investment Company (Public Shareholding Limited Company) which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statement of income and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

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

Receivables Impairment Provision	How our audit addressed the key audit matters
<p>The provision for receivables impairment is significant to the audit, whereby it is required from the company's management to perform accounting estimates and assumptions for the collectability of the receivables based on the financial position of the customers and their related credit risk. Moreover, the net receivables amounted to JD 33,376,243, which represent around 82% of total assets as of December 31, 2016.</p> <p>The nature and characteristics of accounts receivables is defined by the nature of the business for granting loans, which requires to develop a methodology and use significant estimates to calculate the provision for those receivables.</p>	<p>The performed audit procedures included understanding the nature of account receivables, and the internal control system adopted in granting and monitoring account receivables, and evaluating the reasonableness of management's estimates of the provision for receivables impairment, where we have understood the Company's policy for calculating provisions, and the related factors involved in the computation together with discussing those factors with the executive management. Moreover, we have selected a sample from that accounts receivables, after taking into consideration the risk related to the method of settlement and related collateral. We have also discussed the views of management over some of the granted facilities in terms of expected cash inflows and adequacy of provisions. We have also recomputed the required provisions and the adequacy of needed disclosures, which includes related risks as disclosed in the note disclosures.</p>

Other Matter

The consolidated financial statements for the year ended December 31, 2015, the figures of which are shown for comparison purposes, have been audited by Kawasmy & Partners Company, which issued an unqualified opinion thereon dated March 20, 2016.

Other Information

Management is responsible for the other information. The other information comprises the other information in the annual report excluding the consolidated financial statements and the independent auditor thereon, which is expected to be made available to us after the date of our audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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Member of Deloitte Touche Tohmatsu Limited

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISA's, we exercise professional judgement 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 risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidenced 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 disclosure 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 represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records duly organized and in line with the accompanying consolidated financial statements. We recommend to approve these consolidated financial statements.

The accompanying consolidated financial statements are a translation of the statutory consolidated financial statements, which is in Arabic language to which reference is to be made.

Deloitte & Touche
Deloitte & Touche (M.E.) – Jordan
Amman – Jordan
March 15, 2017

Deloitte & Touche (M.E.)
Public Accountants
Amman - Jordan

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Member of Deloitte Touche Tohmatsu Limited

BINDAR TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<u>December 31,</u>	
	<u>Note</u>	<u>2016</u>	<u>2015</u>
		<u>JD</u>	<u>JD</u>
<u>Assets</u>			
Cash on hand and at banks	5	1,448,967	3,087,776
Receivables – net	6	33,376,243	31,004,281
Other debit balances	7	204,688	366,373
Financial assets at fair value through profit and loss	8	82,799	108,521
Cash margins against bank loans and borrowings	9	<u>1,905,100</u>	<u>1,853,267</u>
Total Current Assets		<u>37,017,797</u>	<u>36,420,218</u>
Investment properties-net	10	2,687,749	2,687,749
Property and equipment-net	11	294,054	324,578
Deferred tax assets	19/c	<u>600,244</u>	<u>573,197</u>
TOTAL ASSETS		<u>40,599,844</u>	<u>40,005,742</u>
<u>LIABILITIES AND SHAREHOLDER'S EQUITY</u>			
<u>LIABILITIES</u>			
Payables and other credit balances	12	669,557	1,537,480
Short-term loans	13	7,308,777	6,773,888
Income tax provision	19/A	<u>298,813</u>	<u>476,301</u>
Total Current Liabilities		<u>8,277,147</u>	<u>8,787,669</u>
Long-term loans	13	3,288,838	3,272,430
Bonds	14	<u>5,000,000</u>	<u>5,000,000</u>
TOTAL LIABILITIES		<u>16,565,985</u>	<u>17,060,099</u>
<u>SHAREHOLDERS' EQUITY - PAGE (6)</u>			
Paid-up capital	1	20,000,000	20,000,000
Share premium		1,602	1,602
Statutory reserve	15	1,754,063	1,504,153
Retained earnings		<u>2,278,194</u>	<u>1,439,888</u>
Total Shareholders' Equity		<u>24,033,859</u>	<u>22,945,643</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>40,599,844</u>	<u>40,005,742</u>

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

BINDAR TRADING AND INVESTMENT COMPANY

(PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN – JORDAN

CONSOLIDATED STATEMENT OF INCOME
AND OTHER COMPREHENSIVE INCOME

	<u>Note</u>	For the Year Ended December 31,	
		2016	2015
		JD	JD
Murabaha financing revenues		4,227,855	3,964,507
Other operating revenues	16	1,397,689	1,372,242
Total operating revenue		5,625,544	5,336,749
<u>Less:</u> Employees' salaries and benefits	17	(788,009)	(830,275)
General and administrative expenses	18	(798,887)	(754,102)
Provision for doubtful debts	6	(112,622)	(73,486)
Loss on valuation of financial assets through profit or loss	8	(25,722)	(21,557)
Finance costs		(1,386,596)	(1,259,570)
Board of Directors' remunerations		(28,333)	(35,000)
Gain/ (loss) on impairment of investment property	10	6,800	(665,933)
Impairment provision in Murabaha for others' loans		(72)	(144)
Other revenue		2,549	18,230
Profit for the Year before Income Tax Expense - Page (8)		2,494,652	1,714,912
Income tax expense	19/B	(606,436)	(885,746)
Profit for the year - Page (7)		1,888,216	829,166
Total Consolidated Comprehensive Income for the Year		1,888,216	829,166
	20	0.094	0.041

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

BINDAR TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	Paid-up Capital	Share Premium	Statutory Reserve	Retained Earnings	Total
	JD	JD	JD	JD	JD
<u>For the Year Ended December 31, 2016</u>					
Balance at the beginning of the year	20,000,000	1,602	1,504,153	1,439,888	22,945,643
Total consolidated comprehensive income for the year - Page (6)	-	-	-	1,888,216	1,888,216
Dividends distribution	-	-	-	(800,000)	(800,000)
Transferred to statutory reserve	-	-	249,910	(249,910)	-
Balance at the End of the Year	<u>20,000,000</u>	<u>1,602</u>	<u>1,754,063</u>	<u>2,278,194</u>	<u>24,033,859</u>
<u>For the Year Ended December 31, 2015</u>					
Balance at the beginning of the year	20,000,000	1,602	1,265,911	848,964	22,116,477
Total consolidated comprehensive income for the year - Page (6)	-	-	-	829,166	829,166
Transferred to statutory reserve	-	-	238,242	(238,242)	-
Balance at the End of the Year	<u>20,000,000</u>	<u>1,602</u>	<u>1,504,153</u>	<u>1,439,888</u>	<u>22,945,643</u>

The retained earnings balance includes JD 600,244 as of December 31, 2016, which represents restricted deferred taxes.

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

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BINDAR TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the Year Ended December 31,	
		2016	2015
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year before income tax - page (6)		2,494,652	1,714,912
Adjustments:			
Depreciation of property and equipment and investment property	10&11	94,890	91,755
Provision for doubtful debts	6	112,622	73,486
(Gain) / loss from impairment of investment property	10	(6,800)	665,933
Finance costs		1,386,596	1,259,570
Loss from sale of financial assets at fair value through profit and loss		-	111
Loss of valuation of financial assets through profit or loss	8	25,722	21,557
Loss on disposal of property and equipment		(2,329)	(6,824)
Net Cash Flows from Operating Activities before Changes in Working Capital Items		4,105,353	3,820,500
(Increase) in receivables		(2,484,584)	(1,367,307)
Decrease (Increase) in other debit balances		161,685	(60,253)
(Increase) in cash margins against banks loans and credit facilities		(51,833)	(42,428)
(Decrease) in payables and other credit balances		(1,043,113)	(1,830,117)
Net Cash Flows from Operating Activities before tax paid		687,508	520,395
Income tax paid	19	(810,971)	(2,009,922)
Net Cash Flows (used in) Operating Activities		(123,463)	(1,489,527)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchase) of property and equipment	11	(65,723)	(132,435)
Received from disposal of property and equipment	11	10,486	27,000
Received from sale of financial assets at fair value through profit and loss		-	1,939
Net Cash Flows (used in) Investing Activities		(55,237)	(103,496)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in bank loans and credit facilities		551,297	386,194
Finance cost paid		(1,386,596)	(1,259,570)
Dividends distribution paid		(624,810)	-
Increase in bonds		-	5,000,000
Net Cash Flows (used in) from Financing Activities		(1,460,109)	4,126,624
Net (Decrease) Increase in Cash		(1,638,809)	2,533,601
Cash on hand and at banks - beginning of the year		3,087,776	554,175
Cash on Hand and at Banks - End of the year	5	1,448,967	3,087,776

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

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BINDAR TRADING AND INVESTMENT COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1- General

- a- Bindar Trading and Investment Company was established and registered according to the Jordanian Companies Law No. (22) for the year 1997, as a Limited Liability Company under registration No.(6099), on April 17, 2000 with a paid-up capital of JD one million. On August 9, 2004, the Company was transformed into a Public shareholding limited company under No.(351) with a paid-up capital of JD (13) million. The General Assembly decided, in its extraordinary meeting held on March 15, 2008, to increase paid-up capital from JD/share (13) million to JD/share (20) million. The company's address is P.O. Box 1921, Almadena Almunawara Street, Amman 11821 the Hashemite Kingdom of Jordan.
- b- The main objectives of the Company are as follows:
1. Trading and financing durable goods of machinery, equipment, vehicles and cars; and selling them for cash and/or installments and/or through finance lease method.
 2. Acquiring the transferable and non-transferable money to enable the Company to perform its operations.
 3. Establishing branches, offices, and agencies to achieve its objectives according to laws and regulations inside or outside Jordan.
 4. Borrowing the required funds from banks.
- c. The Company's shares are listed on Amman Stock Exchange.
- d. The consolidated financial statements were approved by the Board of Directors on February 9, 2017.

2, Significant Accounting Policies:

Basis of Preparation of the Consolidated Financial Statements:

- The accompanying consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs and interpretations issued by the committee of IASB).
- The consolidated financial statements are stated in Jordanian Dinar, which represents the functional currency of the Company.
- The consolidated financial statements are prepared in accordance with the historical cost principle, except for financial assets and financial liabilities presented at fair value at the date of the consolidated financial statements.
- The accounting policies adopted for the current year are consistent with those applied in the year ended December 31, 2015, except for what is stated in (note 4-a) to the consolidated financial statements.

Basis of Consolidated Financial Statements

- The accompanying consolidated financial statements include the financial statements of the Company and its subsidiary companies. Transactions and balances between the Company and its subsidiaries are eliminated when preparing the consolidated financial statements.

The Company owns the following subsidiaries as of December 31, 2016 and 2015:

Company Name	Paid-up Capital JD	Ownership Percentage %	Nature of Operation	Country of Operation	Ownership Date
A'ayan Trading Agencies and Investment Company	50,000	100	Investment	Jordan	March 28, 2006
Rakeen for Investment Company	30,000	100	Investment	Jordan	March 11, 2011
Bindar Finance Leasing Company	1,000,000	100	Financial Leasing	Jordan	September 29, 2013

The following table illustrates the financial position and financial performance of the subsidiaries as of December 31, 2016 and 2015:

	December 31, 2016			
	Total Assets	Total Liabilities	Total Revenue	(Loss) Profit for the Year
	JD	JD	JD	JD
A'ayan Trading Agencies and Investment Company	784,639	998,258	-	(3,284)
Rakeen for Investment Company	1,929,869	2,520,407	-	(3,158)
Bindar Finance Leasing Company	1,020,223	1,080	7,576	1,487

	December 31, 2015			
	Total Assets	Total Liabilities	Total Revenue	(Loss) Profit for the Year
	JD	JD	JD	JD
A'ayan Trading Agencies and Investment Company	760,378	970,712	-	(247,652)
Rakeen for Investment Company	1,927,371	2,514,752	-	(429,765)
Bindar Finance Leasing Company	1,020,274	3,098	14,262	7,533

Control exists when the Company has the power to control the financial and operating policies of the subsidiaries in order to obtain benefits from their activities. All transactions, balances, revenue and expenses between the Company and its subsidiaries are eliminated.

The results of operations of the subsidiaries are consolidated in the consolidated statement of income and comprehensive income from the date of acquisition, which represents the date when control over the subsidiaries is passed on to the Company. Moreover, the results of operations of the disposed of subsidiaries are consolidated in the consolidated statement of income and comprehensive income until the disposal date, which represents the date when the Company loses control over the subsidiaries.

The financial statements of the subsidiaries relating to the same fiscal year of the Company are prepared using the same accounting policies adopted by the Company. In case the subsidiaries' accounting policies differ from those adopted by the Company, necessary adjustments to the financial statements of the subsidiaries have to be made in order to match those applied by the Company.

The following are the most significant accounting policies:

a. Accounts Receivable

- Accounts receivable are stated at net realizable value after deducting a provision for doubtful debts.
- A provision for doubtful debts is booked when there is objective evidence that the Company will not be able to recover whole or part of the due amounts at the end of the year. When the Company collects previously written-off debts, it recognizes the collected amounts in other revenues in the consolidated statement of income and comprehensive income. Furthermore, revenue and commission from doubtful debts are suspended and recognized as revenue upon collection.
- Moreover, debts are written-off when they become uncollectible or are derecognized.

b. Properties and Equipment:

- Properties and equipment are stated at cost net of accumulated depreciation and any accumulated impairment, except for land, which is not depreciated. Acquisition cost includes the cost directly related to acquisition of the assets. Parts of properties and equipment with different useful lives are treated as separate items.
- The depreciation expense is charged to the consolidated statement of income and consolidated statement of comprehensive income according to the straight-line method over their expected useful lives using the following annual rates:

<u>Item</u>	<u>Annual Depreciation Rate</u>
Cabling and preparatory works	20%
Furniture and fixtures	12%
Computers	20%
Vehicles	15%
Office Supplies	15%

- When the recoverable amount of property and equipment is less than their book value, the Company decreases the value of property and equipment to the recoverable amount, and the impairment loss is recorded in the consolidated statement of income and comprehensive income.
- The useful life of property and equipment is reviewed at the end of each year. If the expected useful life differs from previous estimates, the change in the estimates for upcoming years is treated as a change in estimates.

c. Financing revenues

Financing revenue is realized based on the accrual basis, using the effective interest rate method.

A Murabaha contract involves selling a commodity at the original price at which it was bought by the seller (i.e. the Company) with an agreed marginal profit. Alternatively, the sale might be a Murabaha coupled with a promise on the customer's part. That is, the Company does not buy the commodity unless the customer has shown his desire and promised to buy it. In this case, the sale is known as (Murabaha with a Re-Purchase Order).

Murabaha receivables are recognized upon occurrence at nominal value, and measured at the end of the financial year based on the net expected cash inflows.

d. Deferred Income:

Deferred income is recognized for the term exceeding the current financial year, by distributing it over future financial years for the term, whereby profit for each financial year is allocated regardless of whether payment is received or not.

e. Interest Expense

Bank interest expense is recognized periodically through reviewing the remaining balance and effective interest rate according to the accrual basis.

f. Foreign Currencies Transactions

Transactions in foreign currencies are booked in Jordanian dinar at the exchange rates prevailing at the date of the transactions. Assets and liabilities in foreign currencies are converted to Jordanian dinar at the exchange rates prevailing at the consolidated statement of financial position date. Moreover, the resulting exchange differences are taken to the consolidated statement of income and comprehensive income.

g. Income Tax

- Income tax expenses represent accrued as well as deferred taxes.
- Accrued tax expenses are calculated based on taxable income, which differs from that included in the financial statements. Moreover, declared income includes tax-exempt income, expenses not deductible in the fiscal year but deductible in subsequent years, tax-accepted losses, or tax-unexempt or tax-deductible items.
- Taxes are calculated according to the tax rates prescribed by the tax laws and regulations in force in Jordan.
- Deferred tax assets or liabilities are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the consolidated financial statements and the value on the basis of which taxable income is calculated. Moreover, deferred taxes are calculated according to the tax rates expected to be applied upon settlement of the tax liability and realization of deferred tax assets.
- Deferred tax assets or liabilities are reviewed as of the consolidated statement of financial position date and reduced if expected not to be utilized, wholly or partially upon tax settlement.

h. Provision for Contingent Liabilities

A provision is recognized when the Company has an 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.

i. 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.

j. Segment Information

- An operating segment is a group of assets and operations that jointly renders of products or services subject to risks and returns different from those of other business sectors.
- Geographical segment relates to rendering products or services in a specific economic environment subject to specific risks and returns different from those relating to other economic environments.

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k. Financial assets at fair value through profit and loss

- Financial assets at fair value through profit and loss represent shares and bonds held by the Company for trading and achieving gains from short-term market price fluctuations.
- Financial assets at fair value through profit and loss are initially stated at fair value on the acquisition date (purchase costs are recorded in the consolidated statement of income upon purchase). They are subsequently re-measured to fair value as of the date of the consolidated financial statement. Moreover, change in fair value is recorded in the statement of income and other comprehensive income, including the change in fair value resulting from foreign currency exchange transactions of non-monetary assets.
- Dividends or incurred interest are stated in the consolidated statement of income and comprehensive income.

l. Investment Properties

- Investment properties are stated at cost net of accumulated depreciation and any impairment in their value, and are disclosed their fair value. Furthermore, these investments are depreciated based on their useful lives at an annual rate of 2%. Any impairment in their value is taken to the consolidated statement of income and other comprehensive Income, while operating revenues and expenses relating to this investment are recognized in the consolidated statement of income and other comprehensive income.
- If the fair value of the investments for which an impairment provision has been taken in the previous periods increases, the previously recorded are recovered impairment losses at no more than their cost.

M. Cash and Cash Equivalents

- Cash and cash equivalents comprise cash on hand and at banks and deposits at banks maturing within three months, less due to banks and restricted balances.

3. Accounting Estimates

- Preparation of the consolidated financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities and disclosures on contingent liabilities. These estimates and judgments impact revenues, expenses, and provisions. In particular, this requires from the Company's management to issue significant judgments for estimating the amounts of future cash flows and their timing. These estimates are necessarily based on several assumptions and factors with varying degrees of consideration and uncertainty. Actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

Management believes that the estimates in the consolidated financial statements are reasonable.

- A provision for contingent liabilities against the Company is based on a legal study conducted by the Company's lawyer according to which probable future risks are determined. Such studies are reviewed periodically.
- A provision for accounts receivable is made according to the various assumptions and bases adopted by management to evaluate the required provision as per International Financial Reporting Standards.

- Management periodically reviews the useful lives of tangible assets to calculate annual depreciation based on the general condition of those assets and their estimated useful lives in the future. Moreover, impairment loss is taken to the consolidated statement of income and other comprehensive income.
- The financial year is charged with its share from income tax according to the prevailing regulations and the International Financial Reporting Standards.
- A provision for lawsuits against the Company is based on a legal study conducted by the Company's lawyer according to which probable future risks are determined. Such studies are reviewed periodically.
- Management reviews the financial assets, shown at amortized cost, to evaluate any impairment in their value. Such impairment is taken to the consolidated statement of income and other comprehensive income.
- Fair value hierarchy: The Company is required to determine and disclose the level in the fair value hierarchy into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. Differentiating between Level 2 and Level 3 fair value measurements, i.e. assessing whether inputs are observable and whether the unobservable inputs are significant, may require judgment and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability.

4. Adoption of New and Revised International Financial Reporting Standards (IFRSs)

4. a. New and revised IFRSs applied with no material effect on the consolidated financial statements:

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2016, have been adopted in these consolidated financial statements. Moreover, the application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- IFRS 14 Regulatory Deferral Accounts
- Amendments to IAS 1 Presentation of Financial Statements relating to Disclosure initiative.
- Amendments to IFRS 11 Joint arrangements relating to accounting for acquisitions of interests in joint operations.
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets relating to clarification of acceptable methods of depreciation and amortization.
- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture: Bearer Plants.
- Amendments to IAS 27 Separate Financial Statements relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.
- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures relating to applying the consolidation exception for investment entities.
- Annual Improvements to IFRSs 2012 – 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34.

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4. b. New and revised IFRSs in issue but not yet effective and not early adopted

The Company has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs

Annual Improvements to IFRS Standards 2014 – 2016 Cycle amending IFRS 1, IFRS 12 and IAS 28

Amendments to IAS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealized losses.

Amendments to IAS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IFRIC 22 *Foreign Currency Transactions and Advance Consideration*

The interpretation addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

Amendments to IFRS 2 *Share Based Payment* regarding classification and measurement of share based payment transactions.

Amendments to IFRS 4 *Insurance Contracts*: Relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard.

Amendments to IAS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.

Amendments to IFRS 7 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IFRS 9.

Effective for annual periods beginning on or after

The amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after January 1, 2018; the amendment to IFRS 12 for annual periods beginning on or after January 1, 2017

January 1, 2017

January 1, 2017

January 1, 2018

January 1, 2018

January 1, 2018

January 1, 2018

When IFRS 9 is first applied

IFRS 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9

When IFRS 9 is first applied

IFRS 9 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014)

January 1, 2018

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013, to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014, mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- **Classification and measurement:** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39. However, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- **Impairment:** The 2014 version of IFRS 9 introduces an expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised .
- **Hedge accounting:** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- **Derecognition:** The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Amendments to IFRS 15 *Revenue from Contracts with Customers* to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

January 1, 2018

IFRS 15 *Revenue from Contracts with Customers*

January 1, 2018

In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises its revenues when (or as) the performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 16 *Leases*

January 1, 2019

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.

Effective date
deferred
indefinitely

Management of the Group anticipates that these new standards, interpretations and amendments will be adopted in the Company's consolidated financial statements as and when they are applicable; and adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the consolidated financial statements of the Company in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Company's financial statements for the annual period beginning 1 January 2018 and that IFRS 16 will be adopted in the Company's consolidated financial statements for the annual period beginning 1 January 2019.

The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the Company's consolidated financial statements in respect of revenue from contracts with customers and the Company's consolidated financial assets and financial liabilities. Moreover, the application of IFRS 16 may have significant impact on amounts reported and disclosures made in the Company's consolidated financial statements in respect of its leases.

However, it is not predicable to provide a reasonable estimate of the effects of the application of these standards until the Company performs a study in this regard.

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5- Cash on Hand and at Banks

This item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Cash on hand	133,802	29,531
Current accounts at banks	1,315,165	3,058,245
	<u>1,448,967</u>	<u>3,087,776</u>

6- Receivable – Net

This account represents the amounts due from the Company's customers for Murabaha financing of vehicles, real estate and others. It includes the principal plus Murabaha amounts on financing. The details of this item for the year are as follows:

	December 31,	
	2016	2015
	JD	JD
Due and overdue receivables	4,968,806	4,299,673
Maturing during a year	16,613,656	18,283,431
Maturing during more than a year and less than five years	<u>20,509,108</u>	<u>16,363,513</u>
	42,091,570	38,946,617
Less:		
Provisions for impairment in due and overdue receivables *	(2,473,857)	(2,361,235)
Deferred revenue within undue receivables	<u>(6,241,470)</u>	<u>(5,581,101)</u>
	<u>33,376,243</u>	<u>31,004,281</u>

- Part of receivables of JD 17,321,752 is provided as guarantees against loans granted to the Company by banks.
- The receivables are fully guaranteed by customers through mortgages, notes payable, or checks for the full amounts of Murabaha financing.
- * The movement on the provision for impairment on due and overdue receivables is as follows:

	For the Year Ended December 31,	
	2016	2015
	JD	JD
Balance at the beginning of the year	2,361,235	2,287,749
Provided during the year	<u>112,622</u>	<u>73,486</u>
Balance at the end of the year	<u>2,473,857</u>	<u>2,361,235</u>

- For amounts overdue for more than 12 months, the Company takes a provision of 20% to 100% of the overdue amounts, after considering customers' guarantees.
- The details of receivables' balances with lawsuits raised against customers for the collection of overdue amounts are as follows:

	December 31, 2016		December 31, 2015	
	Accrued and Overdue Installments Receivables	Total Installments	Accrued and Overdue Installments Receivables	Total Installments
	JD	JD	JD	JD
Receivables – lawsuits *	4,052,460	6,471,076	3,345,988	5,876,390
	4,052,460	6,471,076	3,345,988	5,876,390

- Total due and overdue receivables amounted to JD 4,968,806, representing 12% of total receivables for the year (JD 4,299,653, representing 11% at the end of the previous year).
- * The booked provision for receivables' balance with lawsuits against customers amounted to JD 2,416,877 as of December 31, 2016 (JD 2,232,636 as of December 31, 2015).

7- Other Debit Balances

This item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Prepaid expenses	126,733	208,699
Refundable deposits	45,410	20,496
Employees' receivable	5,357	6,371
Advances to suppliers	6,188	90,418
Other	21,000	40,389
	204,688	366,373

8- Financial Assets at Fair Value through Profit and Loss

This item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Companies shares (Outside the Kingdom) *	82,799	108,521
	82,799	108,521

- * These shares represent 346K shares in Al Soor Company for Financing and Trading, LL. – Kuwait, representing ownership of 0.07 %, and valued based on similar prices.

9- Cash Margins against Loans and Credit Facilities

This item represents the restricted cash balances at banks against credit facilities provided to the Company:

	December 31,	
	2016	2015
	JOD	JOD
Jordan Ahli Bank *	1,596,994	1,583,930
Arab Banking Corporation *	277,553	269,337
Egyptian Arab Land Bank *	30,553	-
	<u>1,905,100</u>	<u>1,853,267</u>

* The average interest rate on the cash margin balances is 3% annually.

10- Investment in Properties - Net

- The average fair value of investments properties as estimated by independent experts amounted to JD 2,724,555 as of December 31, 2016.
- Investment properties include lands of JD 2,347,748, mortgaged against credit facilities as of December 31, 2016.

The movement on this account during the year was as follows:

	December 31,	
	2016	2015
	JD	JD
Balance as of January 1 st ,	2,687,749	3,360,484
Depreciation during the year	(6,800)	(6,802)
Recovered/(Losses) from impairment in property investments	6,800	(665,933)
	<u>2,687,749</u>	<u>2,687,749</u>

11- Property and Equipment – Net:

This item consists of the following:

	Cabling and Preparatory Works	Furniture and Fixtures	Computers	Vehicles	Office Supplies	Total
<u>For the year ended December 31, 2016</u>	JD	JD	JD	JD	JD	JD
<u>Cost:</u>						
Balance – beginning of the year	89,711	320,356	214,758	45,069	110,434	780,328
Additions	-	45,515	7,779	-	12,429	65,723
Disposals	-	(1,090)	(7,138)	(9,321)	(5,651)	(23,200)
Balance – end of the year	<u>89,711</u>	<u>364,781</u>	<u>215,399</u>	<u>35,748</u>	<u>117,212</u>	<u>822,851</u>

Accumulated Depreciation :

Balance – beginning of the year	89,174	164,227	124,145	3,048	75,156	455,750
Depreciation during the year	232	41,725	27,898	5,712	12,523	88,090
Disposals	-	(1,090)	(7,138)	(1,165)	(5,650)	(15,043)
Balance – end of the year	<u>89,406</u>	<u>204,862</u>	<u>144,905</u>	<u>7,595</u>	<u>82,029</u>	<u>528,797</u>
Net book value of property and equipment	<u>305</u>	<u>159,919</u>	<u>70,494</u>	<u>28,153</u>	<u>35,183</u>	<u>294,054</u>

For the year ended December 31, 2015

Cost:

Balance – beginning of the year	89,331	315,835	137,808	43,732	104,921	691,627
Additions	380	4,521	76,950	45,071	5,513	132,435
Disposals	-	-	-	(43,734)	-	(43,734)
Balance – end of the year	<u>89,711</u>	<u>320,356</u>	<u>214,758</u>	<u>45,069</u>	<u>110,434</u>	<u>780,328</u>

Accumulated Depreciation :

Balance – beginning of the year	85,531	127,164	98,914	18,636	64,110	394,355
Depreciation during the year	3,643	37,063	25,231	7,970	11,046	84,953
Disposals	-	-	-	(23,558)	-	(23,558)
Balance – end of the year	<u>89,174</u>	<u>164,227</u>	<u>124,145</u>	<u>3,048</u>	<u>75,156</u>	<u>455,750</u>
Net book value of property and equipment	<u>537</u>	<u>156,129</u>	<u>90,613</u>	<u>42,021</u>	<u>35,278</u>	<u>324,578</u>

Annual depreciation %	20%	12%	20%	15%	15%	
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- Properties and equipment include fully depreciated assets of JD 207,099 as of December 31, 2016 (JD 222,376 as of December 31, 2015).

12- Payables and Other Credit Balances

This item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Sales tax provision	22,462	12,486
Accrued interest on bonds	126,795	135,454
Trade payables	115,059	139,822
Dividends payable	212,242	37,052
Insurance premiums received in advance	42,789	87,124
Accrued expenses	87,009	50,359
Board of Directors' remunerations payable	28,333	35,000
Vacation provision	33,202	16,798
Investments contracts retentions *	-	1,013,280
Other	1,666	10,105
	<u>669,557</u>	<u>1,537,480</u>

- * This item represents a cash investment management contract signed between Bindar Trading and investment Company and some of its customers during 2015. The contract is for managing and investing funds, according to Sharia (Islamic Law), in the agreed fields and based on the agreed amount. The agreements were cancelled during 2016, and all related amounts refunded to the concerned persons.

13- Loans

This item consists of the following:

	December 31, 2016			December 31, 2015		
	Short-term Installments	Long-term Installments	Total	Short-term Installments	Long-term Installments	Total
	JD	JD	JD	JD	JD	JD
Loans	<u>7,308,777</u>	<u>3,288,838</u>	<u>10,597,615</u>	<u>6,773,888</u>	<u>3,272,430</u>	<u>10,046,318</u>
	7,308,777	3,288,838	10,597,615	6,773,888	3,272,430	10,046,318

- Terms and conditions of the outstanding loans and credit facilities from banks were as follows:

Facilities type	Maturity date	Facility Limit	December 31, 2016	December 31, 2015
		JD	JD	JD
Declining bank loan	March 30, 2019	2,000,000	1,676,816	2,119,602
Declining bank loan	March 1, 2018	1,000,000	717,708	-
Declining bank loan	February 28, 2016	-	-	21,000
Declining bank loan	July 8, 2020	2,000,000	1,500,000	1,849,093
Declining bank loan	April 30, 2017	1,000,000	138,236	471,925
Declining bank loan	February 28, 2018	-	447,796	132,209
Declining bank loan	May 31, 2017	2,000,000	-	315,278
Declining bank loan	February 28, 2016	-	-	111,111
Declining bank loan	April 30, 2019	1,500,000	1,235,379	417,885
Renewal loan	November 17, 2017	1,500,000	231,809	807,128
Renewal loan	November 1, 2017	3,000,000	2,882,842	2,376,270
Renewal loan	November 17, 2017	500,000	291,671	-
Renewal loan	November 17, 2017	1,500,000	1,475,358	1,424,817
			<u>10,597,615</u>	<u>10,046,318</u>

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- These banks loans and credit facilities are guaranteed against mortgage on land and buildings owned by subsidiary companies for JD 2,347,749, plus promissory notes signed by customers for a nominal amount of JD 17,321,752.
- The average interest rate on the above loans ranges from 8% to 9.25%.

14- Bonds

This item represents bonds issued by the Company on March 10, 2015 for five years at an annual interest rate of 8.9% for the first two years and an interest rate variable every six months for the remaining period based on the lending interest rate for the best customers of banks plus 1% risk margin. Moreover, interest is payable on March 10 and September 10 annually, and bonds mature on March 10, 2020 as follows:

Companies	Number of bonds	Gross value
		JD
Invest Bank	80	2,000,000
Jordan Commercial Bank	60	1,500,000
Union Bank	20	500,000
Global Investment House- Jordan	20	500,000
Social Security Corporation – Investment Fund	20	500,000
	<u>200</u>	<u>5,000,000</u>

15- Statutory Reserve

This amount represents the accumulated appropriations from income before tax at a rate of 10% according to the Jordanian Companies Law. This amount may not be distributed to partners.

16- Other Operating Income

This item consists of the following:

	2016	2015
	JD	JD
Late payment of installments penalties	178,633	296,654
Administrative commissions	196,420	219,907
Commercial discount	658,415	611,403
Postponement of installment fees	163,082	74,415
Other	201,139	169,863
	<u>1,397,689</u>	<u>1,372,242</u>

17- Salaries and Employees Benefits

This item consists of the following:

	2016	2015
	JD	JD
Salaries and benefits	641,635	695,060
Company's contribution in social security	71,210	72,127
Vacations provision	16,404	289
Health insurance	47,670	54,247
Other	11,090	8,552
	<u>788,009</u>	<u>830,275</u>

18- General and Administrative Expenses

This item consists of the following:

	2016	2015
	JD	JD
Rent	104,939	83,596
Insurance	82,365	71,752
Depreciation on property & equipment and investment properties	94,890	91,752
Bank fees	7,160	7,237
Vehicles expenses	1,884	8,933
Professional and legal fees	70,245	74,133
Board of Directors' transportation allowances	9,750	11,700
General Assembly's meetings expenses	2,915	1,380
Stationary and printing	14,135	16,201
Postage, telecommunication, and internet	47,239	40,248
Electricity and water	24,846	22,910
Licenses and fees	62,603	55,792
Computer expenses	22,532	22,191
Maintenance	4,866	3,181
Security and guarding	-	3,664
Hospitality	13,614	15,482
Cleaning	30,346	23,803
Advertising	24,399	51,018
Advertisement materials	12,215	17,486
Promotional expense	-	28,415
Donations	1,483	3,220
Travel and transportation	61,185	46,820
Commissions	85,321	37,505
Other	19,955	15,683
	<u>798,887</u>	<u>754,102</u>

19- Income Tax

A- Income Tax Provision

The movement on the income tax provision is as follows:

	2016	2015
	JD	JD
Balance at the beginning of the year	476,301	1,856,509
Prior years' income tax	-	32,710
Provided during the year	633,483	597,004
Income tax paid	<u>(810,971)</u>	<u>(2,009,922)</u>
Balance at the end of the year	<u>298,813</u>	<u>476,301</u>

B- The income tax expense in the consolidated statement of income and other comprehensive income is as follows:

	2016	2015
	JD	JD
Accrued income tax	633,483	629,714
Effect of deferred tax assets	<u>(27,047)</u>	<u>256,032</u>
	<u>606,436</u>	<u>885,746</u>

- C- Deferred tax assets arising from time differences for income tax paid on provisions taken in the Company's accounts are stated according to International Accounting Standard No. (12). Movement on deferred tax assets was as follows:

	December 31,	
	2016	2015
	JD	JD
Balance at the beginning of the year	2,388,320	3,455,104
Provided during year	112,694	73,630
Released during year	-	(1,140,414)
	<u>2,501,014</u>	<u>2,388,320</u>
Tax Percentage	24%	24%
Balance at the end of year	<u>600,244</u>	<u>573,197</u>

Movement on deferred tax assets was as follows:

	Beginning Balance for the Year	Additions	Released Amounts	Ending Balance for the Year 2016	Deferred Tax Assets
	JD	JD	JD	JD	JD
<u>December 31, 2016</u>					
Provision for doubtful debts	2,361,235	112,622	-	2,473,857	593,726
Impairment of Murabaha loans for other	27,085	72	-	27,157	6,518
	<u>2,388,320</u>	<u>112,694</u>	<u>-</u>	<u>2,501,014</u>	<u>600,244</u>
	Beginning Balance for the Year	Additions	Released Amounts	Ending Balance for the Year 2016	Deferred Tax Assets
	JD	JD	JD	JD	JD
<u>December 31, 2015</u>					
Provision for doubtful debts	2,287,749	73,486	-	2,361,235	566,697
Impairment of Murabaha loans for others	26,941	144	-	27,085	6,500
Stock losses provision for the years 2009 and 2010	1,140,414	-	(1,140,414)	-	-
	<u>3,455,104</u>	<u>73,630</u>	<u>(1,140,414)</u>	<u>2,388,320</u>	<u>573,197</u>

- D- Tax status of the Company and its subsidiaries until the end of 2016:

- Bindar Trading and Investment Company (parent company) reached a final settlement with the Income and Sales Tax Department up to the year 2014. Moreover, the Company submitted its income tax return for the year 2015 and paid the due tax on time.
- Rakeen for Investment Company (subsidiary company) reached a final settlement with the Income and Sales Tax Department up to the year 2013. Moreover, the Company submitted its income tax return for the years 2014 and 2015 and paid the due tax on time.
- A'ayan Trading Agencies and Investment Company (subsidiary company) reached a final settlement with the Income and Sales Tax Department up to the year 2014. Moreover, the Company submitted its income tax return for the year 2015 and paid the due tax on time.
- Bindar Finance Leasing Company (subsidiary company) submitted its income tax returns for the years 2014 and 2015 and paid the due tax on time.

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The Company has calculated and booked an income tax provision for the year ended December 31, 2016. In the opinion of the Company's management and its tax consultant, the provision booked is adequate for the tax liabilities as of December 31, 2016.

20. Earnings per Share - Basic and Diluted (JD/Share)

This item consists of the following:

	2016	2015
	JD	JD
Profit for the year related to shareholders	1,888,216	829,166
Number of shares	20,000,000	20,000,000
Earnings per share for the year (basic and diluted)	0.094	0.041

21. Dividends and Proposed Dividends Distribution

- A - In its ordinary meeting on April 19, 2016, The General Assembly approved the Board of Directors' recommendation to distribute cash dividends at 4% of capital.
- B - On February 9, 2017, the Board of Directors recommended to the General Assembly to distribute 8% of capital, equivalent to JD 1,600,000, as cash dividends to the shareholders for the year 2016.

22. Contingent Liabilities

The Company had contingent liabilities at the date of the consolidated statement of financial position as follows:

	December 31,	
	2016	2015
	JD	JD
Banks letters of guarantee	62,000	43,500

23. Lawsuits Raised Against the Company

Lawsuits against the Company amounted to JD 99,725 as of December 31, 2016 (no lawsuits against the Company as of December 31, 2015). These lawsuits are still before the competent courts. In the opinion of the Company's management and its legal advisor, no provisions are required for these lawsuits.

24. Related Party Transactions and Balances

The salaries and benefits of the Board of Directors and Executive Management amounted to JD 172,220 as of December 31, 2016 (JD 244,896 as of December 31, 2015).

Executive Management Loans

Installments of loans granted to Executive Management and their related accounts are as follows:

	2016	2015
	JD	JD
Receivables	50,274	5,842
Income from Murabaha finance	6,451	87

25- Operating Sectors

a- Information about the Company's Activity-Based Business Sectors is as follows:

The following is information about the Company's activity-based business sectors:

	Financing JD	Investing JD	Total	
			For the year Ended December 31,	
			2016 JD	2015 JD
Murabaha revenues	4,227,855	-	4,227,855	3,964,507
Other operating revenues	1,397,689	-	1,397,689	1,372,242
Gross profit from operations	5,625,544	-	5,625,544	5,336,749
Employees' salaries, wages, and benefits	(788,009)	-	(788,009)	(830,275)
General and administrative expenses	(785,645)	(13,242)	(798,887)	(754,102)
Finance costs	(1,386,596)	-	(1,386,596)	(1,259,570)
Impairment from financial assets through profit or loss	-	(25,722)	(25,722)	(21,557)
Provision for doubtful debts	(112,622)	-	(112,622)	(73,486)
Provision from Murabaha loans impairment	(72)	-	(72)	(144)
Bonuses for Board of Directors	(28,333)	-	(28,333)	(35,000)
Other revenues	2,549	-	2,549	18,230
Gain (Losses) in the impairment of property investments	-	6,800	6,800	(665,933)
Profit for the year before tax	2,526,816	(32,164)	2,494,652	1,714,912
Income tax expense	(606,436)	-	(606,436)	(885,746)
Profit for the year	1,920,380	(32,164)	1,888,216	829,166
Other information				
December 31,				
	Financing JD	Investing JD	2016 JD	2015 JD
Sector's Assets	37,885,336	2,714,508	40,599,844	40,005,742
Sector's Liabilities	16,564,517	1,468	16,565,985	17,060,099

b. Geographical and Segmental Distribution

The Company's activities are mainly in the Hashemite kingdom of Jordan with no activities abroad.

26. Risk Management

a. Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders. Moreover, it monitors risks and performs the optimal strategic allocation of financial assets and financial liabilities.

The Company adopts a debt - to - shareholders' equity ratio (calculated by evaluating the total liabilities to total shareholders' equity) provided that total liabilities do not exceed the Company's capital. The details are as follows:

	December 31	
	2016 JD	2015 JD
Total Liabilities	16,565,985	17,060,099
Total Shareholders' equity	24,033,819	22,945,643
Ratio of liabilities to equity %	%69	%74

b. Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulty in raising funds to meet its commitments. Moreover, the Company manages liquidity risk through keeping adequate reserves and lines of credits and continuously monitoring forecast and actual cash flows.

The Company manages liquidity risks through maintaining adequate reserves, continuously monitoring forecast and actual cash flows, and matching the maturities of financial assets and financial liabilities.

c. Credit risks

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Moreover, the Company has adopted a policy of dealing with only creditworthy parties to mitigate financial risks resulting from defaults.

The Company's financial assets consisting mainly of receivables, checks under collection, and cash on hand, do not represent significant concentration of credit risks. moreover, debtors are widely spread among customers' categories and their geographical areas. Stringent credit control is also maintained, as each customer's credit limits are monitored separately.

d. Market risk

Market risks represent losses arising from the changes in market prices such as the changes in interest rates, foreign currency exchange rates, prices of equity instruments, and consequently, the changes in the fair value of the cash flows of consolidated financial instruments on- and off- the consolidated statement of financial position.

e. Foreign currency risk

The Company's main transactions are in Jordanian dinar. Moreover, the Company has financial assets at fair value through profit or loss demonstrated in U.S dollar, AED, and Syrian pound.

The Company's currency risk relates to changes in exchange rates applicable to the settlements in foreign currencies. As the Jordanian dinar (the Company's functional currency), is pegged to the US dollar, the Company's management believes that the foreign currency risk is immaterial.

f. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Moreover, the Company continuously manages its exposure to interest rate risk and considers the various scenarios such as financing and renewal of present positions.

The sensitivity analysis below has been determined based on the exposure to interest rates for bank borrowings and accounts receivable at the statement of financial position date. The analysis is prepared assuming that the amount of accounts receivable, loans and overdraft balances outstanding at the statement of financial position have been outstanding for the whole year. A 1% increase or decrease is used, representing management's assessments as regards interest rates:

	2016		2015	
	%1+	%1-	%1+	%1-
	JD	JD	JD	JD
Profit (loss)	177,786	(177,786)	159,580	(159,580)
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27.Fair Value Hierarchy

A. The fair value of financial assets and financial liabilities of the Company specified at fair value on an ongoing basis:

Financial Assets	Fair Value		The Level of Fair Value	Evaluation Method and Inputs used	Important Intangible Inputs
	December 31, 2016	December 31, 2015			
	JOD	JOD			
Financial Assets at Fair Value					
Financial Assets at Fair Value Through Profit or Loss:					
Shares with no market prices	82,799	108,521	Level Two	Average market value	Similar price shares
Total	82,799	108,521			

B - Fair value of the Company's financial assets and financial liabilities (non-specific fair value on an ongoing basis):

Except for as set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the Company's financial statements approximates their fair value:

	December 31, 2016		December 31, 2015		The Level of Fair Value
	Book value	Fair Value	Book value	Fair Value	
	JOD	JOD	JOD	JOD	
Financial Assets of Non-specified Fair Value					
Investment properties	2,687,749	2,724,555	2,687,749	2,687,749	Through real estate evaluators
Total Financial Assets of Non-specified Fair Value	<u>2,687,749</u>	<u>2,724,555</u>	<u>2,687,749</u>	<u>2,687,749</u>	
	Book value	Fair Value	Book value	Fair Value	The Level of Fair Value
	JOD	JOD	JOD	JOD	
Financial Liabilities of Non-specified Fair Value Bonds	5,000,000	5,162,795	5,000,000	5,135,454	Level Two
Total Financial Liabilities of Non-specified Fair Value	<u>5,000,000</u>	<u>5,162,795</u>	<u>5,000,000</u>	<u>5,135,454</u>	

The fair value of the financial assets and liabilities for level 2 and level 3 was determined in accordance with agreed pricing models, which reflect the credit risk of the parties dealt with.

