



بورصة عمان
الدائرة الإدارية والالية
المديران
١٥ إلى ٢٠١٧
الرقم التسلسلي: 3065
رقم الملف: 31260
الجهة المختصة: 21104611

To: Jordan Securities Commission

Amman Stock Exchange

Date:-14 / 05 / 2017

Subject: Audited Financial Statements for the fiscal
year ended 31/12/2016

السادة هيئة الاوراق المالية

السادة بورصة عمان

التاريخ:- 14/05/2017

الموضوع: البيانات المالية السنوية المدققة للسنة المنتهية في
2016/12/31

Attached the Audited Financial Statements of
(BABELON INVESTMENTS) for the fiscal year
ended 31/12/2016

مرفق طيه نسخة من البيانات المالية المدققة لشركة
(شركة حدائق بابل المعلقة للإستثمارات) عن السنة
المالية المنتهية في 2016/12/31

Kindly accept our high appreciation and
respect

Company's Name BABELON INVESTMENTS

Acting General Manager's Signature

Amer Michael Halasa

وتفضلوا بقبول فائق الاحترام...

اسم الشركة : شركة حدائق بابل المعلقة للإستثمارات

توقيع القائم باعمال المدير العام
عامر ميخائيل الهلسا

**BABELON INVESTMENTS
(PUBLIC SHAREHOLDING COMPANY)**

**FINANCIAL STATEMENTS AND INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANT'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016**

BABELON INVESTMENTS
(PUBLIC SHAREHOLDING COMPANY)

**FINANCIAL STATEMENTS AND INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S
REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)**

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CERTIFIED PUBLIC ACCOUNTANT'S REPORT

**To the shareholders
BABELON INVESTMENTS P.L.C**

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Babelon Investments P.L.C, which comprise of the statement of financial position as of December 31, 2016, and the related consolidated statements of income statement, consolidated statement of Comprehensive income, Statement of owners' equity and statement of cash flows, for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

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

Key audit matters

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

- Goodwill

According to International Financial Reporting Standards, the Company must evaluate the goodwill and examine impairment, the goodwill, as of December 31, 2016 was 27,508,872 JD.

The annual goodwill impairment is a significant auditing matter, considering the requirement of recoverable value estimation. The recoverable amount for cash generation units, which is the value in use for cash generating units, which is the value in use or fair value which is higher less cost of sales. Which is calculated using the discounted expected cash and methods. These methods use several assumptions as in sales and future prices estimation, operating cost.

As part of an audit in accordance with The International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

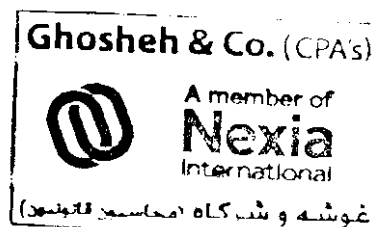
Legal requirements report

The Company maintains proper books of accounting records which are in agreement with the accompanying consolidated financial statements and with the financial information included in the Board of Directors report, and we recommend the Board of directors to approve the financial statements.

Ghosheh & Co

Abdul Kareem Qunais
License No.(496)

Amman-Jordan
March 1, 2017



BABELON INVESTMENTS
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Note	2016	2015
ASSETS			
Non-current assets			
Financial assets designated at fair value through other comprehensive income	4	857,394	872,452
Total non-current assets		857,394	872,452
Current assets			
Accounts receivable and other receivables		9,736	7,337
Cash and cash equivalents		856,558	820,111
Total current assets	5	866,294	827,448
TOTAL ASSETS		1,723,688	1,699,900
LIABILITIES AND OWNERS' EQUITY			
Owners' equity			
Share capital	1	2,000,000	2,000,000
Statutory reserve	6	57,645	51,985
Fair value reserve		(19,592)	(4,534)
Accumulated losses		(317,265)	(368,206)
Total owners' equity		1,720,788	1,679,245
Current liabilities			
Accrued expenses and other liabilities		2,900	20,655
Total current liabilities		2,900	20,655
TOTAL LIABILITIES AND OWNERS' EQUITY		1,723,688	1,699,900

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

BABELON INVESTMENTS
(PUBLIC SHAREHOLDING COMPANY)

COMPREHENSIVE INCOME STATEMENT
AS OF DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Note	2016	2015
Dividends Revenues		52,853	50,625
Deposits interest revenue		28,136	28,828
General and administrative expenses	7	(24,388)	(27,118)
NET INCOME		56,601	52,335
Other comprehensive income :			
Realized Gain from sale of financial assets designated at fair value through statement of other comprehensive income		-	8,837
Total comprehensive income transferred to accumulated losses		56,601	61,172
Change in fair value reserve		(15,058)	(144,829)
Total comprehensive income for the year		41,543	(83,657)
Earning pershare			
Earning pershare- JD/ share		0,03	0,03
Weighted average of outstanding shares		2,000,000	2,000,000

The accompanying notes are an integral part of these financial statements

BABELON INVESTMENTS
(PUBLIC SHAREHOLDING COMPANY)

STATEMENT OF CHANGES IN OWNERS' EQUITY
AS OF DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Statutory reserve	Fair value reserve	Accumulated losses	Total Owners' equity
Balance at January 1, 2015	2,000,000	45,868	140,295	(423,261)	1,762,902
Comprehensive income	-	-	(144,829)	61,172	(83,657)
Transfer to statutory reserves	-	6,117	-	(6,117)	-
Balance at December 31, 2015	2,000,000	51,985	(4,534)	(368,206)	1,679,245
Comprehensive income	-	-	(15,058)	56,601	41,543
Transfer to statutory reserves	-	5,660	-	(5,660)	-
Balance at December 31, 2016	2,000,000	57,645	(19,592)	(317,265)	1,720,788

The accompanying notes are an integral part of these financial statements

BABELON INVESTMENTS
(PUBLIC SHAREHOLDING COMPANY)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	2016	2015
OPERATING ACTIVITIES		
Net income	56,601	52,335
Adjustments on income for the year		
Realized gains from sale of financial assets designated at fair value through statement of other comprehensive income	-	8,837
Changes in general assets and liabilities:		
Accounts receivable and other receivables	(2,399)	5,471
Accrued expenses and other liabilities	(17,755)	3,769
Net cash available from operating activities	36,447	70,412
INVESTING ACTIVITIES		
Purchase of financial assets designated at fair value through statement of other comprehensive income .	-	(35,231)
Net cash used in investing activities	-	(35,231)
Net change in cash and cash equivalents	36,447	35,181
Cash and cash equivalents, January 1	820,111	784,930
Cash and cash equivalents, December 31	856,558	820,111

The accompanying notes are an integral part of these financial statements

BABELON INVESTMENTS
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

1. ORGANIZATION AND ACTIVITIES

Babelon Investments is a Jordanian public shareholding Company ("the Company"), registered on July 11, 2006 to the companies controller in ministry of industry and trade under number (411). The Company's share capital is JD 2,000,000 divided into 2,000,000 shares, the par value is one JD per share.

The Company principle activity is Dealing in listed stock in Amman Stock exchange , including purchase and selling stocks for the interests of the company and others.

The Company and subsidiary headquarter is in Amman.

The financial statements as of December 31, 2015 is includes the financial statements of the following subsidiaries:

Name of subsidiary	Place of registration	Registration year	Ownership percentage	The main activity
<i>Al-Salem for construction and development (Ltd)</i>	Hashemite Kingdom of Jordan	2007	100%	<i>Buying , selling and developments of lands</i>

*The general assembly decided in it's unusual meeting held at February 14, 2016 to liquidate the company on an optional liquidation basis.

According to the equity method, the share of the results in subsidiary as of December 31,

	2016	2015
The Company's share of the losses of Al-Salem for construction and development (Ltd)	-	(700)
		(700)

According to the equity method, the book value of invesment and share of the results as at December 31

	2016	2015
The book value of invesment in Al-Salem for construction and development (Ltd)	-	55,957
The Company's share of the results of Al-Salem for construction and development (Ltd)	-	(700)
		55,257

BABELON INVESTMENTS
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016 (Continued)
(EXPRESSED IN JORDANIAN DINAR)

The summary of total assets, liabilities, and the results of the subsidiaries, and the significant assets and liabilities items are as follows:

	2016	2015
Total assets	-	55,257
Total liabilities	-	-
Total owners equity	-	55,257
Results of operations	-	(700)

2- NEW AND REVISED STANDARDS AND AMENDMENTS TO IFRSs IN ISSUE BUT NOT YET EFFECTIVE:-

The following new standards and amendments to the standards have been issued but are not yet effective and the Company intends to adopt these standards, where applicable, when they become effective.

<u>New Standards</u>	<u>Effective Date</u>
(IFRS) No.9 – Financial Instruments	January 1, 2018
(IFRS) No.15 – Revenue from Contract with Customers	January 1, 2018
(IFRS) No.16 – Leases	January 1, 2019

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of the financial statements in accordance with International Accounting Standard.

Basis of preparation

The financial statements are presented in Jordanian Dinar (JD) as this is the currency in which the majority of the Company's transactions are recorded.

The financial statements have been prepared on historical cost basis, However financial assets and financial liabilities are stated at fair value. The following is a summary of significant accounting policies applied by the Company:

Accounts receivable

Accounts receivable are stated at the fair value of the consideration given and are carried at amortized cost after provision for doubtful debts.

BABELON INVESTMENTS
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016(Continued)
(EXPRESSED IN JORDANIAN DINAR)

Accounts payable and accruals

Accounts payable are recognized against the value of obligation for services or goods received, whether billed or not billed by the supplier.

Expenses

General and administrative expenses include direct and indirect costs not specifically part of cost of revenues as required under generally accepted accounting principles. General and administrative expenses include direct and indirect costs which are not specifically part of production costs as required under generally accepted accounting principles. Allocations between general and administrative expenses and cost of sales are made on a consistent basis when required.

Financial assets designated at fair value through income statement

Financial assets are classified as at fair value through income statement when either the financial asset is held for trading or it is designated as at fair value through income statement, financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- A derivative is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through statement of income upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at fair value through statement of income.

Financial assets at fair value through statement of income are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the consolidated income statement.

BABELON INVESTMENTS
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016(Continued)
(EXPRESSED IN JORDANIAN DINAR)

Financial assets designated at fair value through statement of other comprehensive income

Specific financial assets at fair value through statement of other comprehensive income are non-derivative financial assets, the purpose of the acquisition is to keep them as available for sale until the date of maturity, not for trading.

Differences in the change in fair value of financial assets specified at fair value through other comprehensive income statement are recorded in other comprehensive income statement. Financial assets specified at fair value through statement of other comprehensive income that is have a market prices stated at fair value after deducting any accumulated Impairment losses in its fair value.

Financial assets specified at fair value through statement of other comprehensive income that is do not have a market prices and cannot determine the fair value stated at cost and any Decline in its value recorded in other comprehensive income statement. Profits and losses resulting from differences of foreign currency translation for the debt instruments are recorded within the financial assets specified at fair value through other comprehensive income statement in the statement of other comprehensive income, while differences from foreign currency translation for the debt instruments are recorded in the accumulated change in fair value in owners' equity.

The use of estimation

The preparation of financial statements and the application of accounting policies required of the Company's management to make estimates that affect the amounts of financial assets and liabilities and disclosure of contingent liabilities, these estimates also affect the revenues, expenses and provisions.

As well as changes in fair value that appears in the owners' equity

In particular, required of the company's management to issue important judgments to estimate the amounts of future cash flows and its times. Mentioned that the estimates are shown necessarily on the assumptions and multiple factors have a varying degree of appreciation and uncertainty and that actual result may differ from estimates. As a result of changes resulting about the conditions and circumstances of these estimates in the future.

Segment reporting

A business segment is a group of assets and operation engaged in providing products or services that are subject to risks and returns that are different from those of other business segments, and segment is engaged in providing products or services within a particular economic environment.

and Company include significant business sectors in the purchase, develop and trade of lands and real estate in addition to investing in securities and bonds, the company operates only in the Hashemite Kingdom of Jordan.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the 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.

BABELON INVESTMENTS
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016(Continued)
(EXPRESSED IN JORDANIAN DINAR)

4-FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH STATEMENT OF OTHER COMPREHENSIVE INCOME

	2016	2015
Investments in Al-Amal financial investments by 77,050 shares (2015: 77,050)	52,394	63,952
Investments Jordanian german Insurance company by 10,000 shares (2015: 10,000)	-	-
Investments in Afaq Energy (Plc)by 350,000 shares (2015: 350,000)	805,000	808,500
	857,394	872,452

*The Jordanian german Insurance company (P.L.C) is under liquidation

5. ACCOUNTS RECEIVABLE AND CHECKS UNDER COLLECTION

	2016	2015
Account receivables *	747,500	747,500
Other receivables	9,736	7,337
impairment of accounts receivable	(747,500)	(747,500)
	9,736	7,337

*These amount represents the amounts due from the following :

	2016	2015
Ministry of industry and trade	299,000	299,000
Ministry of finance	448,500	448,500
	747,500	747,500

The above amounts were paid to the Ministry of Industry and Trade for the company's share capital increase fees, and to the Ministry of Finance for the stamps of the capital increase of the company, Due to the failure of the company to complete and cover the capital increase of the company during the legal period stipulated in the Companies Law, three years from the date of completion of capital increase procedures in the Ministry of Industry and Trade, which ended on 24/12/2011. The company's management reclassified "share capital increase deferred expense" to "Account receivables" to acclaim Ministry of industry and trade and Ministry of finance for the amount of fees that was paid to increase the share capital. At the beginning of 2012, the company's management filed a lawsuit against the Ministry of Industry and Trade and the Ministry of Finance demanding that these fees be refunded , The case was won by the Honorable Court of Cassation and was returned to the Court of Appeal.

BABELON INVESTMENTS
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016(Continued)
(EXPRESSED IN JORDANIAN DINAR)

6. STATUTORY RESERVE

In accordance with the Companies' Law in the Hashemite Kingdom of Jordan and the Company's Article of Association, the Company has established a statutory reserve by the appropriation of 10% of net income until the reserve equals 25% of the capital. However, the Company may, with the approval of the General Assembly continue deducting this annual ratio until this reserve is equal to the subscribed capital of the Company in full. This reserve is not available for dividends distribution.

7. GENERAL AND ADMINISTRATIVE EXPENSES

	2016	2015
Governmental fees and subscriptions	2,167	2,552
Managerial fees	12,000	12,000
Professional fees	5,800	5,800
General assembly meeting expenses	1,875	1,984
subscriptions	2,450	1,250
Bank charges and others	96	3,532
	24,388	27,118

8. INCOME TAX

The company settled its tax position with the income and sales tax department until 2015

Al-Salem for construction and development (Ltd) (subsidiary) settled its tax position with the income and sales tax department until 2014 and for the year 2015, The company has submitted the income tax return to income and sales tax department and the company's accounting record were not reviewed until the date of financial statements. during 2016 the company was liquidated.

9. FINANCIAL INSTRUMENTS

Management of Share Capital Risks

The Company manages its capital to make sure that the Company will continue when it takes the highest return by the best limit for debts and shareholder's equity balances. The Company's strategy doesn't change from 2015.

Debt Ratio

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

The management of the financial risks

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

BABELON INVESTMENTS
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016(Continued)
(EXPRESSED IN JORDANIAN DINAR)

Management of the foreign currencies risks

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

Management of the interest price risks

The risks related to the interest rate mainly resulting from the money borrowings in changeable (float) interest rates and from short-term deposits in fixed interest rates.

Sensitivity of the statement of comprehensive income is impacted of the assumed possible changes in prices of interest on the profit of the Company for one year and it is calculated based on the financial liabilities which carry variable interest rates at the end of the year.

Credit risk management

The credit risks represented if one part of the financial instruments contracts has not obligated to pay the contractual obligations and cause of that the Company is exposing financial losses, However, there are no any contracts with any other parts so the Company doesn't expose to different types of the credit risks, The significant credit exposed for any parts or group of parts that have a similar specification have been disclosed in note No.14. The Company classify the parts which have similar specifications as a related parties. Except the amounts which are related to the cash money. Credit risks that are resulting from the cash money are specific because the parts that are dealing with it are local banks which have good reputations and controlled by control parties.

Management of liquidity risks

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

10. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the company management on March 1, 2017 and have been authorized for issuance by the Board of Directors.