

هيئة الأوراق المالية  
المدارة الادارية / الديوان  
٢٧ شتوز ٢٠١٧  
الرقم التسلسل .....  
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Form No. (4-1) نموذج رقم

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<p>To: Jordan Securities Commission</p> <p>Amman Stock Exchange</p> <p>Date:-25 / 07 / 2017</p> <p>Subject: Semi – Annual Report as of 30/06/2017</p>	<p>السادة هيئة الاوراق المالية</p> <p>السادة بورصة عمان</p> <p>التاريخ:- 2017 / 07 / 25</p> <p>الموضوع: التقرير ربع السنوي كما هي في 2017 / 06 / 30</p>
<p>Attached the Semi – Annual Report of (BABELON INVESTMENTS) as of 30/06/2017</p>	<p>مرفق طيه نسخة من البيانات المالية نصف السنويه لشركة (شركة حدائق بابل المعلقة للاستثمارات) كما هي في 2017 / 06 / 30 م.</p>
<p>Kindly accept our high appreciation and respect</p> <p>Company's Name BABELON INVESTMENTS</p> <p>Acting General Manager's Signature</p> <p>Amer Michael Halasa</p>	<p>وتفضلوا بقبول فائق الاحترام،،،</p> <p>اسم الشركة : شركة حدائق بابل المعلقة للاستثمارات</p> <p>توقيع القائم باعمال المدير العام عامر ميخائيل الهلسا</p>



**BABELON INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM FINANCIAL STATEMENTS AND**  
**INDEPENDENT CERTIFIED PUBLIC**  
**ACCOUNTANT'S REPORT**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**

**BABELON INVESTMENTS COMPANY  
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM FINANCIAL STATEMENTS AND INDEPENDENT CERTIFIED PUBLIC  
ACCOUNTANT'S REPORT  
FOR THE SIX MONTHS ENDED JUNE30, 2017  
(EXPRESSED IN JORDANIAN DINAR)**

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## **REPORT ON REVIEWING THE INTERIM FINANCIAL STATEMENTS**

To the President and Members of the Board of Directors

### **BABELON INVESTMENTS COMPANY**

#### **Introduction**

We have reviewed the accompanying Interim Statement of Financial Position of Babelon Investments Company as of June30, 2017, and the related statements of Interim Comprehensive income, Owners' equity and cash flows for the period then ended, The management is responsible of preparing and presenting company's Interim financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim financial statements based on our review.

#### **Scope of Review**

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

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not express a true and fair view in accordance with International Accounting Standard No. 34.

Ghosheh & Co.  
Abdul Kareem Qunais  
License No.(496)



Amman-Jordan  
July 17, 2017

**BABELON INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMAPNY)**

**INTERIM STATEMENT OF FINANCIAL POSITION(UNAUDITED)**  
**AS OF JUNE 30, 2017 AND DECEMBER 31, 2016**  
**(EXPRESSED IN JORDANIAN DINAR)**

	Note	2017	2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets designated at fair value through other comprehensive income	4	851,200	857,394
<b>Total non-current assets</b>		<b>851,200</b>	<b>857,394</b>
<b>Current assets</b>			
Accounts receivable and other receivables	5	9,133	9,736
Cash and cash equivalents		912,327	856,558
<b>Total current assets</b>		<b>921,460</b>	<b>866,294</b>
<b>TOTAL ASSETS</b>		<b>1,772,660</b>	<b>1,723,688</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>Owners' equity</b>			
Share capital	1	2,000,000	2,000,000
Statutory reserve	6	57,645	57,645
Fair value reserve		(18,386)	(19,592)
Accumulated losses		(266,599)	(317,265)
<b>Total owners' equity</b>		<b>1,772,660</b>	<b>1,720,788</b>
<b>Current liabilities</b>			
Accrued expenses and other liabilities		-	2,900
<b>Total current liabilities</b>		<b>-</b>	<b>2,900</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>1,772,660</b>	<b>1,723,688</b>

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

**BABELON INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMAPNY)**

**INTERIM STATEMENT OF COMPREHENSIVE INCOME(UNAUDITED)**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

	<b>From the period</b>		<b>From the beginning of the year to</b>	
	<b>From April 1, 2017 to June 30, 2017</b>	<b>From April 1, 2017 to June 30, 2017</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>
Deposits interest revenue	2,049	7,321	8,558	14,374
Dividends Revenues	54,600	52,853	54,600	52,853
General and administrative expenses	(3,028)	(5,986)	(10,911)	(15,159)
<b>NET INCOME</b>	<b>53,621</b>	<b>54,188</b>	<b>52,247</b>	<b>52,068</b>
<b>Other comprehensive income :</b>				
Realized Gainonsale of financial assets designated at fair value through statement of other comprehensive income	-	-	(1,581)	-
<b>Total comprehensive income transferred to accumulated losses</b>	<b>53,621</b>	<b>54,188</b>	<b>50,666</b>	<b>52,068</b>
Change in fair value reserve	(89,600)	(19,680)	1,206	(29,476)
<b>Total comprehensive income for the year</b>	<b>(35,979)</b>	<b>34,508</b>	<b>51,872</b>	<b>22,592</b>
<b>Earning pershare</b>				
<b>Earning pershare- JD/ share</b>	<b>0,03</b>	<b>0,03</b>	<b>0,03</b>	<b>0.03</b>
<b>Weighted average of outstanding shares</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>

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

**BABELON INVESTMENTS COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Statutory reserve	Fair value reserve	Retained earnings	Total Owners' equity
Balance at January 1, 2017	2,000,000	57,645	(19,592)	(317,265)	1,720,788
Comprehensive income for the period	-	-	1,206	50,666	51,872
Balance at June 30, 2017	2,000,000	57,645	(18,386)	(266,599)	1,772,660
Balance at January 1, 2016	2,000,000	51,985	(4,534)	(368,206)	1,679,245
Comprehensive income for the period	-	-	(29,476)	52,068	22,592
Balance at June 30, 2016	2,000,000	51,985	(34,010)	(316,138)	1,701,837

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

**BABELON INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM STATEMENT OF CASH FLOWS(UNAUDITED)**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

	<b>for the six months ended June30, 2017</b>	<b>for the six months ended June 30, 2017</b>
<b>OPERATING ACTIVITIES</b>		
Net Income	50,666	52,068
Adjustments on loss for the period:		
Realized gains from sell of financial assets designated at fair value through statement of other comprehensive income	1,581	-
Changes in general assets and liabilities:		
Accounts receivable and other receivables	603	(1,721)
Accrued expenses and other liabilities	(2,900)	(17,455)
<b>Net cash available from operating activities</b>	<b>49,950</b>	<b>32,892</b>
<b>INVESTING ACTIVITIES</b>		
Financial assets designated at fair value through statement of other comprehensive income	5,819	-
<b>Net cash available from investing activities</b>	<b>5,819</b>	<b>-</b>
<b>Net change in cash and cash equivalents</b>	<b>55,769</b>	<b>32,892</b>
Cash and cash equivalents, Januaray 1	856,558	820,111
<b>Cash and cash equivalents, June30</b>	<b>912,327</b>	<b>853,003</b>

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



**BABELON INVESTMENTS COMPANY  
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2017  
(EXPRESSED IN JORDANIAN DINAR)**

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**1. ORGANIZATION AND ACTIVITIES**

Babelon Investments Company is a Jordanian public shareholding Company ("the Company"), registered on July 11, 2006 under Commercial registration 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 stock listed in Amman Stock exchange , including purchase and selling stocks for the interests of the company and others.

The Company and its subsidiary headquarter is in Amman.

**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–Revenues from Customers Contract	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 interim financial statements.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation**

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

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

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

The interim statements do not include all the information and notes needed in the annual Interim financial statement and must be reviewed with the ended Interim financial statement at December 31, 2016, in addition to that the result for the six months ended in June30, 2017 is not necessarily to be the expected results for the financial year ended December 31, 2017.

**Significant accounting policies**

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

**BABELON INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS(Continued)**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**Cash and cash equivalents**

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

**Expenses**

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

**Accounts receivable**

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

**Accounts payable and accruals**

Accounts payable are stated at the obligation amounts for received services and goods, whether billed by the suppliers or not.

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

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

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

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

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

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

**BABELON INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS(Continued)**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**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 interim 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 consolidated 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 COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

**Income Tax**

The Company is subject to Income Tax Law, its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income, According to International Accounting Standard No. (12), the Company may have deferred taxable assets resulting from the differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the periodic interim financial statements since it's immaterial.

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

	2017	2016
Investments in Al-Amal financial investments by 70,000 shares (2016: 77,050)	42,700	52,394
Investments Jordanian German Insurance company by 10,000 shares (2016: 10,000 )*	-	-
Investments in Afaq Energy (P.L.c) by 350,000 shares (2016: 350,000 )	808,500	805,000
	<b>851,200</b>	<b>857,394</b>

\*The Jordanian German Insurance Company (P.L.C) is under liquidation

**5. ACCOUNTS RECEIVABLE AND CHECKS UNDER COLLECTION**

	2017	2016
Account receivables *	747,500	747,500
Other receivables	9,133	9,736
impairment provision of Receivables	(747,500)	(747,500)
	<b>9,133</b>	<b>9,736</b>

\*These amount represents the amounts due from the following :

	2017	2016
Ministry of Industry and Trade	299,000	299,000
Ministry of Finance	448,500	448,500
	<b>747,500</b>	<b>747,500</b>

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 COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
(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. INCOME TAX**

The company stelled it's tax position with income and sales tax department until 2015, As for 2016, The Company has submitted the self-assesst statement to the Income and Sales Tax Department and has not been audited by the Department until the date of the interim financial statements of the Company

**8. FINANCIAL INSTRUMENTS**

**Fair Value**

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

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

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

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

<u>June 30, 2017</u>	<u>level one</u>	<u>Second Level</u>	<u>third level</u>	<u>Total</u>
Financial assets designated at fair value through statement of comprehensive income	-	-	-	-
Financial assets designated at fair value through statement of other comprehensive income	851,200	-	-	851,200
	851,200	-	-	851,200
<u>December 31, 2016</u>	<u>level one</u>	<u>Second Level</u>	<u>third level</u>	<u>Total</u>
Financial assets designated at fair value through statement of comprehensive income	-	-	-	-
Financial assets designated at fair value through statement of other comprehensive income	857,394	-	-	857,394
	857,394	-	-	857,394

The value set out in the third level reflects the cost of buying these assets rather than its fair value due to the lack of an active market for them, this is the opinion of Directors that the purchase cost is the most convenient way to measure the fair value of these assets and that there was no impairment.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**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 2016.

**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:

**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.

**9. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

The interim financial statements were approved by the company management on July 17, 2017 and have been authorized for issuance by the Board of Directors.