



الشركة المتخصصة للتجارة والاستثمارات م.ع.م.  
Specialized Trading & Investments Co. PLC

نشرة البورصة

<p>To: Jordan Securities Commission Amman Stock Exchange</p> <p>Date: 14/05/2017</p> <p>Subject: <u>Quarterly Report as of</u> <u>31/03/2017</u></p>	<p>السادة هيئة الأوراق المالية المحترمين ، السادة بورصة عمان المحترمين ،</p> <p>التاريخ: 2017/05/14</p> <p>الموضوع: <u>التقرير ربع السنوي كما هي في</u> <u>2017/3/31</u></p>
<p>Dear Sirs,</p> <p>Attached the Quarterly Report of (SPECIALIZED TRADING &amp; INVESTMENTS CO.) as of 31/03/2017. (In English).</p>	<p>تحية وبعد،</p> <p>مرفق طيه نسخة من البيانات المالية ربع السنوية للشركة (المتخصصة للتجارة والاستثمارات) كما هي بتاريخ 2017/03/31. ( باللغة الإنجليزية ).</p>
<p>Kindly accept our highly appreciation and respect</p> <p>SPECIALIZED TRADING &amp; INVESTMENTS CO.</p> <p>General Manager's Signature Eng. Rajaei N. Haddadin</p>	<p>وتفضلوا بقبول فائق الاحترام،،،</p> <p>الشركة المتخصصة للتجارة والاستثمارات</p> <p>توقيع المدير العام م. رجائي ناجي حدادين</p> <p>الشركة المتخصصة للتجارة والاستثمارات</p>

**Specialized Trading & Investments Co.  
Public Shareholding Company**

**Condensed Interim Financial Statements (Not Audited)**

**31 March 2017**

**Arab Professionals**

**(Member firm within of Grant Thornton International Ltd)**

**Specialized Trading & Investments Co.  
Public Shareholding Company**

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### Report on Review of Interim Financial Statements

To The Board of Directors  
Specialized Trading & Investments Co.  
Public Shareholding Company  
Amman - Jordan

#### **Introduction**

We have reviewed the accompanying condensed interim financial statements of Specialized Trading & Investments Co. PLC, comprising the interim statement of financial position as at 31 March 2017 and the related interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the three-month period then ended and the notes about condensed interim financial statements. Management is responsible for the preparation and presentation of this condensed interim financial statement in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed 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 of the Entity." A review of condensed interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statement as at 31 March 2017 is not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

23 April 2017  
Amman - Jordan



Arab Professionals  
Ibrahim Hammoudeh  
(License No. 606 )



**Arab Professionals**  
**Grant Thornton**

**Specialized Trading & Investments Co.**  
**Public Shareholding Company**  
**Interim Statement of Financial Position as at 31 March 2017**

(In Jordanian Dinar)

	31 March 2017	31 December 2016
<b>Assets</b>		
<b>Non - current assets</b>		
Property, plant and equipment	537,183	542,432
<b>Current assets</b>		
Other current assets	128,002	143,494
Notes receivable	-	2,250
Accounts receivable	316,409	459,725
Letters of credit	162,226	78,825
Inventories	395,638	468,048
Checks under collection	280,901	324,049
Cash and cash equivalents	184,818	199,360
<b>Total current assets</b>	1,467,994	1,675,751
<b>Total assets</b>	2,005,177	2,218,183
<b>Equity and liabilities</b>		
<b>Shareholders' equity</b>		
Paid in Capital	1,000,000	1,000,000
Statutory reserve	255,596	255,596
Retained earnings	174,461	175,734
<b>Total equity</b>	1,430,057	1,431,330
<b>Liabilities</b>		
<b>Non - current liabilities</b>		
Postdated checks due after one year	-	16,000
<b>Current liabilities</b>		
Amounts due to shareholders	193,980	194,499
Accounts payable	176,850	365,767
Postdated checks	32,000	16,000
Advance payment from customers	112,723	91,240
Other current liabilities	59,567	103,347
<b>Total current liabilities</b>	575,120	770,853
<b>Total liabilities</b>	575,120	786,853
<b>Total equity and liabilities</b>	2,005,177	2,218,183

"The accompanying notes from (1) to (6) are an integral part of these condensed interim financial statements and read with review report"

**Specialized Trading & Investments Co.  
Public Shareholding Company  
Interim Statement of Comprehensive Income  
For the three month ended 31 March 2017**

(In Jordanian Dinar)

	<u>31 March 2017</u>	<u>31 March 2016</u>
Net sales	337,880	241,573
Cost of sales	<u>( 262,708)</u>	<u>( 188,470)</u>
Gross profit	75,172	53,103
Administrative expenses	( 69,584)	( 57,824)
Depreciation	( 6,109)	( 5,471)
Rent income	-	13,500
Unneeded provision for doubtful accounts	4,700	4,100
Provision for doubtful accounts	( 6,464)	-
Bank interest and commissions	( 781)	( 817)
Gain from sale of property & equipment	89	-
Other income	<u>1,704</u>	<u>-</u>
Total comprehensive (loss) income for the period	<u>( 1,273)</u>	<u>6,591</u>
Basic and diluted (losses) earnings per share	<u>( 0.001)</u>	<u>0.007</u>

"The accompanying notes from (1) to (6) are an integral part of these condensed interim financial statements and read with review report"

Specialized Trading & Investments Co.  
Public Shareholding Company  
Interim Statement of Changes in Equity for the three month ended at 31 March 2017  
(In Jordanian Dinar)

	Paid In Capital	Statutory Reserve	Retained Earnings (Losses)	Total
Balance at 1 January 2017	1,000,000	255,596	175,734	1,431,330
Total comprehensive loss for the period	-	-	( 1,273)	( 1,273)
Balance at 31 March 2017	1,000,000	255,596	174,461	1,430,057
Balance at 1 January 2016	1,000,000	255,596	( 28,138)	1,227,458
Total comprehensive income for the period	-	-	6,591	6,591
Balance at 31 March 2016	1,000,000	255,596	( 21,547)	1,234,049

“The accompanying notes from (1) to (6) are an integral part of these condensed interim financial statements and read with review report”

**Specialized Trading & Investments Co.**  
**Public Shareholding Company**  
**Interim Statement of Cash Flows for the three month ended at 31 March 2017**

(In Jordanian Dinar)

	31 March 2017	31 March 2016
<b>Operating Activities</b>		
(Loss) profit for the period	( 1,273)	6,591
Depreciation	6,109	5,471
Provision for doubtful accounts	6,464	-
Unneeded provisions for doubtful accounts	( 4,700)	( 4,100)
Gain from sale of property & equipment	( 89)	-
<b>Changes in working capital</b>		
Checks under collection	43,148	( 617)
Accounts receivable	141,552	118,896
Letters of credit	( 83,401)	136,939
Inventories	72,410	( 399,819)
Notes receivable	2,250	15,000
Other assets	15,492	( 35,469)
Accounts payable	( 188,917)	( 20,715)
Postdated checks	-	( 2,687)
Advance payment from customers	-	( 13,500)
Deferred rent revenue	21,483	231,489
Other liabilities	( 43,780)	629
<b>Net Cash flows (Used in) From Operating Activities</b>	<b>( 13,252)</b>	<b>38,108</b>
<b>Investing Activities</b>		
Property, plant and equipment	( 771)	2,154
<b>Financing Activities</b>		
Amounts due to shareholders	( 519)	( 3,726)
<b>Changes in cash and cash equivalents</b>	<b>( 14,542)</b>	<b>36,536</b>
Cash and cash equivalents, beginning of year	199,360	118,895
Cash and cash equivalents, end of period	184,818	155,431

"The accompanying notes from (1) to (6) are an integral part of these condensed interim financial statements and read with review report"



**Specialized Trading & Investments Co.**  
**Public Shareholding Company**  
**Notes to the Condensed Interim Financial Statements (Not Audited)**  
**31 March 2017**

(In Jordanian Dinar)

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**1. General**

Specialized Trading & Investments Co. is a public shareholding company incorporated in Hashemite Kingdom of Jordan on 12 December 1994 under No. (263). The Company's main activities are preparing sports playgrounds, supplying and installing artificial grass, import and export and general commerce.

The company stocks are listed in Amman Stock Exchange - Jordan.

The interim financial statements have been approved for issue by the Company's Board of Directors on 23 April 2017.

**2. Summary of Significant Accounting Policies**

**Basis of preparation**

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting". They do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2017.

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

The condensed interim financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous period.

**Use of Estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues, expenses and the provisions. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

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

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the statement of comprehensive income.
- Estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable for individually significant amounts, this estimation is performed on an individual basis.
- Inventories are held at the lower of cost or net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value.

#### **Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation (except lands) and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of comprehensive income.

Depreciation is computed on a straight-line basis using the following annual depreciation rates:

Building & hangers	4 %
Equipment	20%
Vehicles	15%
Computers & software	35%
Furniture's & decoration	20%

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

#### **Projects under construction**

Projects under construction represent plant and properties under construction and development which are stated at cost. Project under construction are not depreciated until assets are completed and put into operational use.

#### **Trade Receivables**

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off when identified.

#### **Inventory**

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the weighted average method.

#### **Cash and Cash Equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the Cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short- term highly liquid investments.

#### **Accounts Payable**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

#### **Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

**Offsetting**

Financial assets and financial liabilities are offset and the net amount reported in the Statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Company intends to either settle them on a net basis, or to realize the asset and settle the liability simultaneously.

**Revenue Recognition**

Sales revenues are recognized upon the transfer of the risk of title to the buyer given that the revenues are dependably measurable.

Other revenues are recorded according to the accrual basis.

**Foreign Currency**

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

**Income tax**

Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from income declared in the financial statements because the latter includes non-taxable revenues or disallowed taxable expenses in the current year but deductible in subsequent years, accumulated losses acceptable by the tax law, and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the tax rates according to the prevailing laws, regulations, and instructions of the countries where the Company operates.

**3. Income Tax**

- The Company settled its tax liabilities with the Income Tax Department up to 2014.
- The Income Tax Department has reviewed the Company's records for the years 2009, 2010 and 2011 but has not issued its final report till the date of this report.
- The income tax returns for the years 2015 & 2016 has been filed with the Income Tax Department, but the Department has not reviewed the Company's records till the date of this report.
- No income tax provision was calculated for the year 2016, as the Company has no taxable income.

**4. Dividends**

The General Assembly has resolved in its meeting held in 2017 to distribute 17.5% cash dividends to the shareholders.

**5. Financial Instruments**

Financial instruments comprise of financial assets and financial liabilities. Financial assets of the Company include cash and cash equivalents, checks under collection, accounts receivable, and notes receivable. Financial liabilities of the Company include accounts payable; postdate checks and amounts due to shareholders.

**Fair Value**

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

**Credit Risk**

Credit risks are those risks resulting from the disability of counterparties to the financial instrument to repay their commitment to the Company. The Company limits its credit risk by only dealing with reputable banks and by setting credit limits for individual customers and monitoring outstanding receivables. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its net financial obligations. In this respect, the Company's management diversified its funding sources, and managed assets and liabilities taking into consideration liquidity and keeping adequate balances of cash, and cash equivalents.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at date of the Statement of Financial Position to the contractual maturity date.

31 March 2017	Less Than One Year	More Than One Year	Total
Accounts payable	176,850	-	176,850
Amounts due to shareholders	193,980	-	193,980
Post-dated checks	32,000	-	32,000
Advance payment from customers	112,723	-	112,723
Other current liabilities	59,567	-	59,567
	<u>575,120</u>	<u>-</u>	<u>575,120</u>

31 December 2016	Less Than One Year	More Than One Year	Total
Accounts payable	365,767	-	365,767
Amounts due to shareholders	194,499	-	194,499
Post-dated checks	16,000	16,000	32,000
Advance payment from customers	91,240	-	91,240
Other current liabilities	103,347	-	103,347
	<u>770,853</u>	<u>16,000</u>	<u>786,853</u>

### 6. Capital Management

The Company's board of directors manages its capital structure with the objective of safeguarding the Company's ability to continue as an ongoing entity and providing an adequate return to shareholders by pricing products and services commensurately with the level of risk.