JORDAN MARBLE

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To : Amman Stock Exchange

From : JORDAN MARBLE CO .

Date : 10/5/2017

Dear Sirs

Enclose the balance sheet for the year ended 31/12/2016 of participating companies and private in our company .

Best Regards

Jordan Marble Co.

بورصة عمان
الدائـرة الإدارية والمالية
الديـوان
١٤ أيار ٢٠١٧
الرقم المتسلسل: ٩٠١٠
رقم الملف:
الجهة المختصة:

نسخة:
هيئة الأوراق المالية

JORDAN MARBLE CO.
Abu Alanda ▲ Hizam Road ▲ Behind Al-Qadessieh Garage ▲ Amman ▲ Jordan
Import ▲ Export ▲ Quarrying ▲ Processing ▲ Marble ▲ Granite ▲ Travertine ▲ Selected Building Stone

JORDAN MARBLE COMPANY
(PUBLIC SHAREHOLDING COMPANY)

FINANCIAL STATEMENTS AND CERTIFIED PUBLIC ACCOUNTANT'S REPORT YEAR ENDED DECEMBER 31, 2016

Ghosheh
Your Professional Partners

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CERTIFIED PUBLIC ACCOUNTANT'S REPORT

To the shareholders
Jordan Marble Company

Report on auditing the Financial Statements

We have audited the accompanying financial statements of Jordan Marble Company (P.L.C), which comprisethe statement of financial positionas of December 31, 2016, and the related statements of comprehensive income, Statement of owners' equity and statement of cash flows, for the year then ended,notes to the financial statements and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, thestatement of financialposition of Jordan Marble Company. (P.L.C) as of December 31,2016, and itsfinancial 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 from 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 is 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 financial statement. The basic auditing matters have been addressed in our auditing workflow to financial standards as we do not express separate opinions.

Inventory

In accordance with International Financial Reporting Standards, the Company must ascertain that the value of inventory is reported based on the lower of cost or net realizable value and determining the impairment of inventory (if any) and ascertaining that there is no slow moving inventory which influences the net realizable value.

Accounts receivable and checks under collections

In accordance withInternational Financial Reporting Standards, the Company should review the process of calculation of impairment of accounts receivable through assumptions and estimations, the company assesses the impairment of accounts receivable and cosidering its importance it's considered one of the significant audit risks and the impairment of accounts receivable provision has been recognized .

Followed procedures within key audit matters.

Inventory
The auditing procedures included the procedtures of inspecting and ascertaining the existence of inventory that has been recorded in the company's books in the warehouses, and ascertaining that the existing inventory in the warehouses which belongs to the company has been recordedup until the date of preparation of the financial statements, and that the company asserts that the recorded inventory is recorded based on the lower of cost or net relizable value considering that the cost of finished goods and good in process are determined based on the specific distinction, which include the cost of materials, labors, and apercentage of indirect industrial expenses, in which the raw materialsare reported based on cost which is also deremined based on the specific distinction.

Accounts receivable and checks under collections
The auditing procedures included control procedures used by the company for collecting accounts receivables and checks under collection, ascertaining a sample of clients accounts through direct confirmations, it has been ascertend that the account receivable impairment provision is sufficient through evaluating the management assumptions, taking in consideration the avaliable external information about account receivable risks, also we evaluated the sufficiency of the company disclosure about the important estimation inconcluding the impairment provision of accounts receivable .

Other information
The management is responsible for other information.
Which includes other information reported in the annual report, but not included in the financial statements and our audit report on it.

Our opinion does not include these other information, and we do not express any assertion over it.

Regarding our audit on consolidate financial statements we are obliged to review these other information, and while that, we consider the compatibility of these information with their financial statements or with the knowledge that we gained through audit procedure or seems to contain significant errors. If we detected based on our audit, the existence of significant errors in the information, we are obliged to report this fact. Regarding this, we have nothing to report.

Management and individuals responsible of governance about thefinancial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. And for such internal control,management is determined to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the 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 the management either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

Individuals responsible of governance are responsible of supervising the preparation of financial statements.

Certified public accountant responsibility
Our objective is to obtain reasonable assurance about whether the Financial Statements are free from material misstatement, and to issue and 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and or considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these Financial Statements.

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 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 the purpose of 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 theFinancial 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves Fair Presentation.

We communicated with audit committee, 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 accounts and the accompanying financial statements and the financial statements contained in the report of the board of directors in accordance with the proper books of accounts.

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

Ghosheh & Co. (CPA's)
A member of
Nexia
International
غوشه و شركاه (محاسبون قانونيون)

Amman-Jordan
February 8 , 2017

JORDAN MARBLE COMPANY
(PUBLIC SHAREHOLDING COMAPNY)

THE STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINARS)

	Note	2016	2015
ASSETS			
Non-current assets			
Property and equipments	5	**1,663,315**	1,864,826
Total non-current assets		**1,663,315**	1,864,826
Current assets			
Prepaid expenses and other receivables		**116,081**	210,973
Goods in transit		**364,599**	354,514
Spare parts and supplies		**98,815**	124,658
Inventory	6	**3,968,501**	3,773,170
Accounts receivableCheques under collection and notes receivable	7	**1,663,386**	1,842,664
Cash and cash equivalents	8	**51,397**	67,042
Total current assets		**6,262,779**	6,373,021
TOTAL ASSETS		**7,926,094**	8,237,847
LIABILITIES AND OWNERS' EQUITY			
Owners' equity			
Share capital	1	**4,000,000**	4,000,000
Statutory reserves	9	**105,328**	95,368
Retained earnings		**92,051**	62,415
Total owners' equity		**4,197,379**	4,157,783
Non-current liabilities			
Long term loans	10	**719,556**	261,744
Total non-current liabilities		**719,556**	261,744
Current liabilities			
Accrued expenses and otherpayables	12	**51,834**	53,991
Accounts payable and deferred cheques	14	**803,819**	685,135
Short term notes payable		**602,716**	1,164,387
Current portion of long term loans	10	**388,225**	165,372
Short term loans	11	**193,528**	-
Bank overdrafts	15	**969,037**	1,749,435
Total current liabilities		**3,009,159**	3,818,320
TOTAL LIABILITIES AND OWNERS' EQUITY		**7,926,094**	8,237,847

The accompanying notes are an integral part of these financial statements

JORDAN MARBLE COMPANY
(PUBLIC SHAREHOLDING COMAPNY)

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

	Note	2016	2015
Sales	17	**8,689,530**	7,151,819
Cost of Sales		**(7,470,610)**	(6,095,995)
Gross Profit/(loss)		**1,218,920**	1,055,824
Selling and Marketing expenses	18	**(233,002)**	(133,740)
General and Administrative expenses	19	**(696,800)**	(675,626)
FinancialCharges		**(172,140)**	(184,243)
Account Receivables Impairment		**(10,000)**	(5,000)
Other Revenues and expenses	20	**(2,453)**	10,986
INCOME FOR THE YEAR BEFORE TAX		**104,525**	68,201
Income tax of previous years	16	**(4,929)**	-
INCOME FOR THE YEAR		**99,596**	68,201
Other Comprehensive Income :		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**99,596**	68,201
Earning per Share:			
Earning per Share JD/Share		**0,025**	0,017
Weighted Average of Outstanding Shares		**4,000,000**	4,000,000

The accompanying notes are an integral part of these financial statements

JORDAN MARBLE COMPANY
(PUBLIC SHAREHOLDING COMAPNY)

STATEMENT OF OWNERS' EQUITY
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Note	Share capital	Statutory reserve	Voluntary reserve	Retained Earnings	Total
3alance at January 1, 2015		4,000,000	88,548	350,098	46,034	4,484,680
Comprehensive income		-	-	-	68,201	68,201
Transfer to Statutory Reserves	9	-	6,820	-	(6,820)	-
Dividend	9	-	-	(350,098)	(45,000)	(395,098)
December 31, 2015		4,000,000	95,368	-	62,415	4,157,783
Comprehensive income		-	-	-	99,596	99,596
Transfer to Statutory Reserves	9	-	9,960	-	(9,960)	-
Dividend	9	-	-	-	(60,000)	(60,000)
3alance at December 31, 2016		4,000,000	105,328	-	92,051	4,197,379

The accompanying notes are an integral part of these financial statements

JORDAN MARBLE COMPANY
(PUBLIC SHAREHOLDING COMAPNY)

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

	2016	2015
Operating Activities		
Profit Before Income Tax	**99,596**	(4,217,293)
Adjustments on Profit Before Income Tax:		
Depreciation	**233,725**	1,259,126
Financial charges	**172,140**	1,159,041
Gain of sale property and equipments	**(1,724)**	
Account Receivables Impairment	**10,000**	
Changes in operating assets and liabilities :		
Accounts receivables cheques under collection and notes receivable	**169,358**	(5,056,903)
Inventory	**(195,331)**	9,847,744
Spare parts and supplies	**25,843**	(13,975,150)
Goods in transit	**(10,085)**	
Prepaid expenses and other receivables	**94,892**	(303,129)
Notes payable	**(561,671)**	
Accounts payable and deferred cheques	**118,684**	(4,657,185)
Due from related parties	**-**	
Due to related parties	**(80)**	117,368
Accrued expenses and other liabilities	**20,373**	942,027
Cash available from operating activities	**175,720**	(14,884,354)
Finance charges paid	**(172,140)**	(1,159,041)
Income tax paid	**(22,530)**	-
Net cash used in from operating activities	**(18,950)**	(16,043,395)
Investing Activities		
Proceeds from sale property and equipments	**1,724**	(813,678)
Purchase of property and equipments	**(32,214)**	-
Net cash used in investing activities	**(30,490)**	(813,678)
Financing Activities		
Due to bank	**(780,398)**	19,779,205
Long term loans	**680,665**	(2,172,866)
Short term loan	**193,528**	
Dividend paid	**(60,000)**	
Net cash available from financing activities	**33,795**	17,606,339
Net increase in cash and cash equivalents	**(15,645)**	749,266
Cash and cash equivalents, January1	**67,042**	2,235,637
Cash and cash equivalents, December31	**51,397**	2,984,903

The accompanying notes are an integral part of these financial statements

1. ORGANIZATION AND ACTIVITY

The Jordan Marble Company is a Public ShareholdingCompany (the "Company") registered asPublic ShareholdingCompanies on July4, 2007 under No. (440) It is the direct result of merging Jordan Jerusalem Mountains Marble Limited Liability in one Company resulting from the merge Jordan Marble Company Public Shareholding ,the Company's authorized and paid up capital is JD 4,000,000 divided into 4,000,000shares each for of JD 1.

The company's principle activity is establishing factories needed for cutting out stones, marable and granite, excavating it, in addition to that processing stones, marable and granite, and selling it locally and internationally, and importing marable and granites raw materials needed for production or trade.

The Company's 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 thesestandards, where applicable, when they become effective.

New Standards	Effective Date
(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 financial statements
The accompanying financial statements have been prepared in accordance with the International Financial Reporting Standards .

The Basics ofpreparation
Thesefinancial statements , were presented in Jordanian Dinar as the majority of transactions recorded in Jordanian Dinar.

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

Sales
Sales are realized when the goods are delivered and the invoice is issued, and they are shown net of trade discount or quantity discount.

Expenses
Selling and marketing expenses are mainly comprised of costs incurred from the distribution and sale of the Company's products. All other expenses are classified as general and administrative expenses.

General and administrative expenses include both direct and indirect costs 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.

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

Inventory
Inventories are valued at cost or net realizable value, whichever is lower,determined the cost of finished goods and good in process are determined based on the specific distinction which includes the cost of materials, labors, and apercentage of indirect industrial expenses, in which the raw materials are reported based on cost which is also deremined based on the specific distinction.
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Spare Parts
Spare parts are valued at cost or net realizable value, whichever is lower, , and cost is determined on the basis of the weighted average method

Accounts Receivables
Accounts receivable are stated at original invoice amount less aprovision for any uncollectable amounts. An estimate for impairmnt of account receivable is made when there is a subjective evidance thatthe collection of the full amount is no longer probable..

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

Financial AssetsImpairment

On the date of each financial position ,values of the financial assets have been reviewed, to determine if there is any indication of decline in its values.

As for financial assets such as trade receivables and assets assessed individually as not impaired, are assessed for impairment on a collective basis, the objective evidence of the decline in the value of a portfolio of receivables could include the previous experience of the company with respect to the collection of payments, and an increase in the number of late payments Which exceeds the average loan period and may also include observed changes in local and global economic conditions that are correlated with defaults on accounts payable.

The carrying amount of the financial asset is reduced by the amount of the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of a provision accounts. When a receivable is uncollectible, the amount of the provision and the corresponding amount are written off in the provisions account .

The changes in the carrying amount for the provisions account recognized in profit and loss account.
For available-for-sale equity instruments, previously recognized impairment losses are not reversed through the statement of comprehensive income. Any increase in fair value after impairment loss is recognized directly in the statement of equity.

Derecognition
The Company cancels the derecognizing the financial assets only when the contractual rights about the receipt of cash flows from the financial assets had ended, and substantially all the risks and benefits of the ownership that belong to another firm. In the case of the Company doesn't transfer or retain substantially the risks and benefits of the ownership and continues its control of the transefered assets, the Company in this case recognizes it's share retained in the transfered assets and the related liabilities in the limits of the amounts excepted to be paid . In the other case, when the Company retained substantially all risks and benefits of the ownership of the transfered assets , the Company will continue to recognize the financial assets.

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Property and Equipments
Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis except power plant and equipment and machinary (melting furnace) depreciation is calculated on production capacity basis, the depreciation percentage for the assets as follows:

	Annual depreciation rate
Buildings	4%
Equipments and machinary	5-10%
Cranes, bulldozers and excavators	15%

Useful lives and the depreciation method are reviewed periodically to make sure that the method and depreciation period appropriate with the expected economic benefits of property and equipment. Impairment test is performed to the value of the property and equipment that appears in the Statement of Financial Position when any events or changes in circumstances shows that this value is non-recoverable.

In case of any indication to the low value, Impairment losses are calculated according to the policy of the low value of the assets
At any subsequent exclusion of property and equipment, the value of gains or losses resulting recognized, Which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the Statement of Financial Position, Gross Profit and loss.

Impairment in the Value of Non-Current Assets
On the date of each statement of financial position the company review the listed values for it's assets to specify if there is an indication to be decline losses of the value.if there is indication to that, the recovery value of the asset will be estimated to determine the loss of decline in the value if it be. In case , Inability to estimate the recovery value of specific asset.The Company estimate the recovery value for cash producing unit that related in the same asset .when there is ability to determine basis of distribution that is fixed and reasonable , the joint assets distribute to units producing of cash that related in the same asset . the joint assets distribute to specific cash producing unit or it distribute to specific cash producing unit or it distribute to smallest group from cash producing unit that it is able to determine basic fixed and resonable distribution for it.
The Recovery value is the fair value of asset minus the cost of sale or used value whichever is higher. In case, the recovery value (or the cash producing unit) estimated to be lower than the carrying value , the carryig value for asset (or cash producing unit) is reduced to the recovery value. Losses of the decline recognized directly in the statement ofcomprehensive income except if the asset that is re-evaluted then it is recorded as losses of the decline as reduction from re-evaluation provision.

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

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Provisions
Provisions are recognised when the Company has a present 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 reliable estimate can be made regarding the amount of the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation.
When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Use of estimates
The preparation of the financial statements and the application of accounting policies require management to make estimates and judgments that affect the amounts of financial assets and liabilities and disclose potential liabilities. These estimates and judgments also affect income, expenses and provisions, as well as changes in fair value that appear in the statement of income. the company management issue significant judgments and provisions to estimate the amounts of future cash flows and times, the estimates are necessarily based on assumptions and factors with varying degrees of judgment and uncertainty and actual results D differ from estimates due to the changes resulting from the conditions and circumstances of those estimates in the future.

We believe that our estimates in the financial statements are reasonable and detailed as follows:

Provision for impairment of receivables where impairment provision review within the foundations established by the management and International Financial Reporting Standards and are allocated according to the foundations of the most stringent calculation.

- The management estimated useful lives of the adoption of the tangible assets periodically for the purposes of calculating depreciation provision for these assets and estimates of the expected useful lives in the future, and is taken impairment loss (if any) in the statement of comprehensive income.

Segment report

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

Geographical segment is associated in providing products in particular economic environment subject to risks and returns that are differed from those for sectors to work in economic environment.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the statement of financial position only when there are legal rights to offset the recognized amounts, and when intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

Income tax

The Company is subject to the Income Tax Law for the year and its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income. According to International Accounting Standard number (12), the company may have deferred taxable assets resulting from the differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the financial statements since it's immaterial.

Foreign currency translation

Foreign currency transaction are translated into Jordanian Dinars at the rates of exchange prevailing at the time of the transactions. Monetary assests and liabilities denominated in foreign currencies at the financial position are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are be included in the comprehensive income statement

4 – PROPERTY & EQUIPMENT

	January 1	Additions	Disposals	December 31
Cost:				
Lands	111,675	20,780	-	132,455
Buildings	673,524	-	-	673,524
Equipments and machinary	2,202,550	-	-	2,202,550
Cranes, bulldozers and excavators	94,451	-	(2,139)	92,312
Renewable energy project	-	11,434	-	11,434
Total cost	3,082,200	32,214	(2,139)	3,112,275
Depreciation:				
Buildings	347,393	13,470	-	360,863
Equipments and machinary	775,531	220,255	-	995,786
Cranes, bulldozers and excavators	94,450	-	(2,139)	92,311
Total depreciation	1,217,374	233,725	(2,139)	1,448,960
Net book value January 1	1,864,826			
Net book value December 31				1,663,315

5. PREPAID EXPENSES AND OTHER RECEIVABLES

	2016	2015
Due from sales tax	-	118
Due from income tax	26,524	98,323
Refundable deposits	28,930	28,930
Due from employees	23,752	32,640
Customs deposits	-	30,376
Other	36,875	20,586
	116,081	210,973

6. INVENTORY

	2016	2015
Raw material and packaging	1,363,960	1,830,974
Finished goods	2,427,365	1,925,619
Work in process	177,176	16,577
	3,968,501	3,773,170

7. ACCOUNTS RECEIVABLE CHEQUES UNDER COLLECTION AND NOTES RECEIVABLE

	2016	2015
Checks under collection	**1,055,024**	1,272,865
Notes receivables	**-**	550
Trade receivables	**683,282**	626,212
Due from related parties (note-13)	**80**	-
Letter of Credit	**-**	8,037
Impairment of account receivable	**(75,000)**	(65,000)
	1,663,386	1,842,664

* Following is the aging of accounts receivable on December 31

	2016	2015
1 – 180 Days	**301,874**	334,501
181 – 270 Days	**100,799**	44,694
271 – and above	**280,609**	247,017
	683,282	626,212

*Net balance of Impairment of accounts receivable:

	2016	2015
Beginning balance	**65,000**	12,247
Transfers due to the dysfunction of a subsidiary	**10,000**	54,795
Ending balance	**75,000**	67,042

8. CASH AND CASH EQUIVALENT

The cash and cash equivalent include cash and demand deposits which can be liquidated in three months or less.

	2016	2015
cash on hands	**3,818**	12,247
Cash at banks	**47,579**	54,795
	51,397	67,042

9. RESERVES

Statutory reserve
In accordance with the Companies Law in the Hashemite Kingdome of Jordan and the Company's Article of Association, the Company has established a statuatry reserve by the appropraition 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 this deduction untill this reserve is equal to the subscribed capital of the Company in full. This reserve is not available for dividend distribution.

Voluntary reserve
In accordance with the Companies Law in the Hashemite Kingdome of Jordan and the Company's Article of Association, the Company can establish a voluntary reserve by appropriation of not more than 20% of net income. Board of directors have deducted 10% of net income during the year. This reserve is available for dividends distribution after approval from the Company's General Assembly.

On April 18, 2015 the general assembly approved in its ordinary meeting to divide the voluntary reserve for shareholders that amounted to JOD 350,098, and divide cash dividends by 1.125% of share capital for shareholders that amounted JOD 4,000,000 which cash dividends wil amount to JOD 45,000.

On April 18, 2015 the general assembly approved in its ordinary meeting to divide cash dividends by 1.5% of share capital for shareholders that amounted JOD 4,000,000 which cash dividends wil amount to JOD 60,000.

10. LOANS

	2016	2015
Ahli Bank loan	**241,903**	427,116
Jordan Kuwait Bank loan	**369,609**	–
Arab Bank loan	**496,269**	–
Less: current portion	**388,225**	165,372
Long-term portion	**719,556**	261,744

Al Ahli Bank Loan
During 2011 the company obtained a diminishing loan from Ahli bank by an amount of $ 1,200,000 is equivalent to JOD 850,800 for the purpose of purchasing machines from Italy, The loan will be paid by 60 monthly installments each for JOD 14,180 included interest,due the last installment on 30 June, 2018 .

Jordan Kuwait Bank loan
During 2016 the company obtained a diminishing loan from Jordan Kuwait bank by an amount of JOD 400,000 for purchasing industrial plant, The loan will be paid by 60 monthly installments each for JOD 7,471 included interest .

Arab Bank loan
During 2016 the company obtained a diminishing loan from Arab bank by an amount of JOD 600,000 for development current production lines and building new hanger for company, The loan will be paid by 54 monthly installments each for JOD 11,100 included interest,except the last installment amounted JOD 11,700 .

11. Short-term loan

During 2016 the company obtaineda revolving loan from Jordan KuwaitBank the ceiling amount JOD 400,000 to finance the LCs and will paid every financing process during 6 months maximumly.

12. ACCRUED EXPENSES AND OTHER LIABILITIES

	2016	2015
Accrued expenses	12,734	12,022
Due to income Tax (note-16)	-	17,601
provision of University fees	1,222	1,222
Due to social security	7,781	7,607
Other liabilities	4,391	15,539
Due to Sales Tax	25,706	-
	51,834	53,991

13.RELATED PARTY TRANSACTIONS

During the year, the Company made the executed transactions with the related parties :-

NAME	RELATIONSHIP
Jordan For Marble & GraniteCompany	owned by board of directors

The significant transaction and the amounts related to as the following:

	2016	2015
purchases	-	264,246
sales	80	1,153,688

	2016	2015
Board of director's salaries and wages	53,350	57,813

Due from related parties at December 31 conations as the following:

	2016	2015
Jordan For Marble & GraniteCompany	**80**	–

15. ACCOUNT PAYABLE AND DEFERRED CHEQUES

	2016	2015
Trade payable	**737,043**	223,745
Deferred cheques	**66,776**	9,834
Advanced payment from client	**-**	451,556
	803,819	685,135

16. DUE TO BANKS

	The granted ceiling	2016	2015
Arab Bank current Account/ Dinar	**500,000**	**383,600**	137,529
Arab Bank revolving facility on cheques	**1,000,000**	**-**	876,147
Arab Bank current Account / Dollar	**355,000**	**343,014**	213,000
Jordan Ahli Bank current Account	**200,000**	**161,189**	110,753
Jordan Ahli Bank revolving facility on cheques	**500,000**	**-**	412,006
Jordan Kuwait Bank current Account forcheques	**300,000**	**81,234**	-
		969,037	1,749,435

The facilities taked by guarrantee board of director.

14. INCOME TAX

The change in income tax provision as December 31 as follows :

	2016	2015
January 1	**17,601**	17,601
Provision for the year	–	–
Provision previous years tax	**4,929**	–
Payments during the year	**(22,530)**	–
December 31	–	17,601

Income Tax in the statement of comprehensive income represents the following:

	2016	2015
Income tax on the current year's profit	-	-
Income tax on previous years	4,929	-
	4,929	-

A summary on the adjustment of the accounting profit and the tax profit:

	2016	2015
Profit	104,525	68,201
Add: unaccepted expenses	14,747	9,186
Deduct: untaxable revenues	(86,181)	(49,176)
	33,091	28,211
Income tax on the year before paid taxes	4,633	3,950
Less : property tax for the current year	(4,747)	(4,186)
	(114)	(236)
Income tax for the current year	-	-
Legal income tax	%14	%14
Actual income tax	% -	%-

The Company settled its tax position until 2014. The self- assessed tax report for 2015 has been submitted but not received by the income and sales tax department.

17. SALES

	2016	2015
Local sales	1,689,485	2,608,015
Export sales	7,000,895	4,546,249
	8,690,380	7,154,264
Allowed discount	(850)	(2,445)
	8,689,530	7,151,819

18.SELLING AND MARKETING EXPENSES

	2016	2015
Marketing expenses	152,762	112,883
Fees and freight	15,422	16,250
Sell commissions	1,818	4,607
Transportaion fees	63,000	-
	233,002	133,740

19.GENERAL AND ADMINISTRATIVE EXPENSES

	2016	2015
Salaries ,wages and related other benefits	264,240	250,307
Social security	63,924	28,796
Depreciation	233,725	279,517
Hospitality	3,949	4,044
Telephone and post	2,422	2,124
fees and licenses and subscriptions	19,718	15,096
Stationary and printings	3,991	3,982
Professional fees	7,771	18,472
Transportations	8,126	7,019
Maintanance	8,356	3,325
Travel and transportations	9,578	13,406
Donations	10,762	1,142
Land rent of Syrian free zone	-	2,050
Customs and containers fees	12,696	38,225
Pavements and courtyards	8,599	-
electricity	28,877	-
Others	10,066	8,121
	696,800	675,626

20. OTHER REVENUES AND LOSSES

	2016	2015
Currency differences	(2,531)	8,882
Other	78	2,104
	(2,453)	10,986

21. CONTINGENT LIABILITIES

At December 31, the Company had the Contingent commitments on bank guarantees 70,000 JD (2015 : 70,000 JD) .

22. FINANCIAL INSTRUMENTS

Management of share capital risks

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

Structuring of Company's capital includes debts, which includes the disclosed borrowings in note No.12,and 14 and 15,and the shareholders equity in the Company which includes share capital, reserves, and retained earnings as it listed in the changes in owners'equity statement.

Debt-to-equity 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 Companys capital structure includes debts from the borrowing. The Company doesn't determine the highest limit of the typical debt rate and it doesn't expect increase in the Debt-to-equity ratioby issuing a new debt during 2013.

	2016	2015
Debts	**2,270,346**	2,176,551
Shareholders equity	**4,197,379**	4,157,783
Debt/ shareholders equity rate	**%54**	%52

This increase in the debt rates is due to the Company re-newed the facilities loan.

The management of the financial risks

Management of the foreign currencies risks

The company maybe exposed to significant risks related with the foreign currencies changing, especially with regord to the procurement of iron albelt by (EUR) where the efective mangement for this exposed.

Management of the interest price risks

Risk related to interest rate result mainly from borrowing money at varying interest rates and short term deposits at fixed interest rates.

Sensitivity of the statement of comprehensive income is the impact of the assumed changes possible 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.

The following table shows sensitivity of the statement of comprehensive income for possible changes and reasonable interest rates as of December 31 with all other effective variables constant:

Currency	Interest rate increase	The impact on profit for the year	
JOD	Percentage points	**2016**	2015
	25	**6,579 -**	6,218 -

Currency	Interest rate decrease	The impact on profit for the year	
JOD	Percentage points	**2016**	2015
	25	**6,579 -**	6,218 -

Credit risk management

The credit risks represent in 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.8.The Company classified the parts which have similar specifications as a related parties. Except the amounts which are related in the cash money. The credit risks that are resulting from the cash money are specific because the parts that are dealing with it are local banks have good reputations and have been controlled from control parties.

The amounts had listed in the financial statements data represents the highest credit risk expose to the trade accounts receivable and to the cash and cash equivalent.

Management of liquidity risks

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

The following table represents the contractual eligibilities to non-derivative financial liabilities.

The table has prepared on the non-deducted cash flows to the financial liabilities basis according to the early due dates that may required from the Company to pay or receive.

The table below contains cash flows for major amounts and interests.

2016	Interest rate	Year or less	More than year	Total
Instruments without interes		**1,097,298**	**-**	**1,097,298**
Instruments with interest	%9.25 - %4.25	**1,911,861**	**719,556**	**2,631,417**
Total		**3,009,159**	**719,556**	**3,728,715**
2015				
Instruments without interes		1,590,213	-	1,590,213
Instruments with interest	%9.25 - %4.25	2,228,107	261,744	2,489,851
Total		3,818,320	261,744	4,080,064

23.SEGMENT INFORMATION

The Company operates in the main work sector which contains manufacturing and producing all kinds of iron and steel. The Company work in one geographic sector is the Hashemit Jordanian kingdom.

24.APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorized for issuance on February 8, 2017 andthese finaincial statements require the approval of the General Assembly for shareholders.

25.COMPARATIVE FIGURES

Certain figures for 2015 have been reclassified to conform the presentation in the current year.