



بورصة عمان  
الدائرة الإدارية والمالية  
الديوان

١٥ أيار ٢٠١٧

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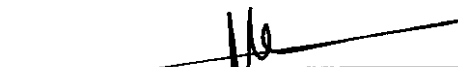

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عمان في : 2017/05/13  
الرقم : ب.ع 2017/05/004 ش

To: Securities Depository Center.	السادة بورصة عمان المحترمين.
Attached the Quarterly Report of (Shira Real Estate Development and Investments) as of 31/03/2017, in English Language.  Attached the financial statements of (Shira Real Estate Development and Investments) as of 31/12/2016, in English Language.	مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة (الشراع للتطوير العقاري والاستثمارات) كما هي بتاريخ 2017/03/31 ، باللغة الانجليزية.  مرفق طيه نسخة من القوائم المالية السنوية لشركة الشراع للتطوير العقاري والاستثمارات كما هي بتاريخ 2016/12/31 ، باللغة الانجليزية.
Kindly accept our highly appreciation and respect  Shira Real Estate Development and Investments	وتفضلوا بقبول فائق الاحترام...  شركة الشراع للتطوير العقاري والاستثمارات

Chairman of the Board of Directors  Mohammad Ahmad Al-Alawi  	رئيس مجلس الادارة محمد احمد العلاوي  
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Copy for: - Amman stock exchange. - Jordan Securities Commission.	نسخة الى: - مركز ايداع الاوراق المالية. - هيئة الاوراق المالية.
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**SHIRA REAL ESTATE DEVELOPMENT &  
INVESTMENTS COMPANY  
(PUBLIC SHAREHOLDING COMPANY)**

**INNTERIM FINANCIAL STATEMENTS AND  
REVIEW REPORT  
FOR THE PERIOD ENDED MARCH 31, 2017**

**SHIRA REAL ESTATE DEVELOPMENT AND INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM FINANCIAL STATEMENTS AND REVIEW REPORT**  
**FOR THE PERIOD ENDED MARCH 31, 2017**

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

To the Board of directors  
Shira Real Estate Development & Investments Company

### **Report on the Interim Financial Statements**

#### **Introduction**

We have reviewed the accompanying Interim Statement of Financial Position for Shira Real Estate Development & Investments Company(P.L.C.) as of March 31, 2017, and the related statements of Interim Comprehensive income, other Comprehensive income, Owners' equity and cash flows for the period then ended, The management is responsible of preparing and presenting company's 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.

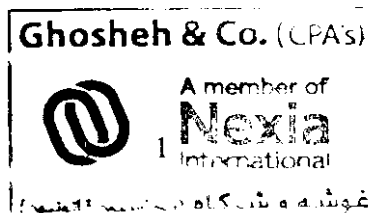
#### **Scope of Review**

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 moderate assurance as to whether the 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 to financial data .The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards, Accordingly, Getting assurances and confirmations about other important aspects checked through an audit procedure was not achievable, Hence, We don't express an opinion regarding in this regard.

#### **Conclusion**

Based on our review, except what was mentioned in basis of qualification above, nothing has come to our attention that causes us to be believe that the accompanying interim financial statements do not give a true and fair view in accordance with International Accounting Standard No. 34.

Ghosheh & Co.  
Abd Al Kareem Qunais  
License No.(496)



Amman-Jordan  
April 27 , 2017

**SHIRA REAL ESTATE DEVELOPMENT AND INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2017 AND DECEMBER 31, 2016**  
**(EXPRESSED IN JORDANIAN DINARS)**

	Note	2017	2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipments		60,869	56,634
Villas for sale	4	1,012,073	1,847,684
Lands investments		9,155,971	9,155,971
Project under construction		44,000	44,000
Long term - checks under collection		32,575	142,800
Financial assets designated at fair value through other comprehensive income		235,000	195,000
Investment in affiliated company	5	6,470,028	6,342,859
<b>Total non-current assets</b>		<b>17,010,516</b>	<b>17,784,948</b>
<b>Current assets</b>			
Prepaid expenses and other receivables		42,383	5,484
Accounts receivable and checks under collection		575,198	802,187
Financial assets designated at fair value through comprehensive income		68,900	-
Oak hills warehouse		35,223	35,223
Cash and cash equivalents		301,563	300,414
<b>Total current assets</b>		<b>1,023,267</b>	<b>1,143,308</b>
<b>TOTAL ASSETS</b>		<b>18,033,783</b>	<b>18,928,256</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>Owners' equity</b>			
Share capital	1	11,581,342	11,581,342
Paid capital		11,244,646	11,244,646
Statutory reserve		288,878	288,878
Voluntary reserve		6,111	6,111
Company's share from the net fair value of affiliated company		(394,876)	(385,563)
Fair value reserve		54,370	14,370
Accumulated losses		(3,382,400)	(3,328,382)
<b>Total owners' equity</b>		<b>7,816,729</b>	<b>7,840,060</b>
Conditional deposits		8,755,354	8,755,354
<b>Current liabilities</b>			
Accrued expenses and other liabilities		6,845	27,478
Accounts payable and deferred checks		105,920	347,967
Margin finance payables		869,270	933,925
Advance payments from customers		10,000	352,998
Banks overdraft		469,665	670,474
<b>Total current liabilities</b>		<b>1,461,700</b>	<b>2,332,842</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>18,033,783</b>	<b>18,928,256</b>

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

**SHIRA REAL ESTATE DEVELOPMENT AND INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM COMPREHENSIVE INCOME STATEMENT (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

	<b>For the three months ended March 31, 2017</b>	<b>For the three months ended March 31, 2016</b>
Sales	<b>858,000</b>	2,681,820
Cost of Sales	<b>(835,611)</b>	(1,947,427)
<b>Gross Profit</b>	<b>22,389</b>	734,393
General and Administrative expenses	<b>(99,123)</b>	(56,169)
Financial Charges	<b>(10,372)</b>	(67)
Margin finance expense	<b>(13,213)</b>	-
Realized gains from Financial assets designated at fair value through comprehensive income	<b>8,466</b>	-
Company's share from net of owner equity for affiliated company	<b>29,215</b>	-
unrealized gains from Financial assets designated at fair value through comprehensive income	<b>5,180</b>	-
Other Revenues and expenses	<b>3,440</b>	2,229
<b>(LOSS) / INCOME FOR THE PERIOD</b>	<b>(54,018)</b>	680,386
Other Comprehensive Income :		
Changes in fair value reserve	<b>40,000</b>	-
Company's share from the net fair value of affiliated company	<b>(9,313)</b>	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(23,331)</b>	680,386
<b>(Loss) / income per Share:</b>		
<b>(Loss)/ income per Share JD/Share</b>	<b>(0,002)</b>	0,060
<b>Weighted Average of Outstanding Shares</b>	<b>11,244,646</b>	11,244,646

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

**SHIRA REAL ESTATE DEVELOPMENT AND INVESTMENTS COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM STATEMENT OF OWNERS' EQUITY (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Statutory reserve	Voluntary reserve	Company's share from the net fair value of affiliated company	Fair value reserve	Accumulated losses	Total
Balance at January 1, 2017	11,244,646	288,878	6,111	(385,563)	14,370	(3,328,382)	7,840,060
Comprehensive income	-	-	-	(9,313)	40,000	(54,018)	(23,331)
Balance at March 31, 2017	11,244,646	288,878	6,111	(394,876)	54,370	(3,382,400)	7,816,729
Balance at January 1, 2016	11,244,646	2,025	6,111	-	-	(5,910,062)	5,342,720
Comprehensive income	-	-	-	-	-	680,386	680,386
Balance at March 31, 2016	11,244,646	288,878	6,111	-	-	(5,229,676)	6,023,106

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

**SHIRA REAL ESTATE DEVELOPMENT AND INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

	<b>For the three months ended March 31, 2017</b>	<b>For the three months ended March 31, 2016</b>
<b>Operating Activities</b>		
(loss) / Profit Before Income Tax	<b>(54,018)</b>	<b>680,386</b>
Adjustments for (loss) / Profit Before Income Tax:		
Depreciation	<b>3,280</b>	<b>2,795</b>
Finance Charges	<b>10,372</b>	<b>67</b>
Realized gains from Financial assets designated at fair value through comprehensive income	<b>(5,180)</b>	<b>-</b>
Changes in operating assets and liabilities :		
Accounts receivables and checks under collection	<b>337,214</b>	<b>(2,580,954)</b>
Villas for sale	<b>835,611</b>	<b>-</b>
Prepaid expenses and other receivables	<b>(36,899)</b>	<b>(45,053)</b>
Accounts payable	<b>(242,047)</b>	<b>-</b>
Accrued expenses and other liabilities	<b>(20,633)</b>	<b>(4,587)</b>
Advance payment from customers	<b>(342,998)</b>	<b>-</b>
<b>Cash available from / (used in) operating activities</b>	<b>484,702</b>	<b>(1,947,346)</b>
Finance charges paid	<b>(10,372)</b>	<b>(67)</b>
<b>Net cash available from / (used in) operating activities</b>	<b>474,330</b>	<b>(1,947,413)</b>
<b>Investing Activities</b>		
Changes in property and equipments	<b>(7,515)</b>	<b>(12,535)</b>
Investment in affiliated company	<b>(136,482)</b>	<b>-</b>
Lands investments	<b>-</b>	<b>1,947,426</b>
Financial assets designated at fair value through comprehensive income	<b>(63,720)</b>	<b>-</b>
<b>Net cash (used in) / available from investing activities</b>	<b>(207,717)</b>	<b>1,934,891</b>
<b>Financing Activities</b>		
Bank overdraft and deferred letter of credit	<b>(200,809)</b>	<b>-</b>
Margin finance payables	<b>(64,655)</b>	<b>-</b>
<b>Net cash used in financing activities</b>	<b>(265,464)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,149</b>	<b>(12,522)</b>
Cash and cash equivalents, January 1	<b>300,414</b>	<b>588,736</b>
<b>Cash and cash equivalents, December 31</b>	<b>301,563</b>	<b>576,214</b>

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



**SHIRA REAL ESTATE DEVELOPMENT AND INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**1. ORGANIZATION AND ACTIVITY**

The company was established and registered as a limited liability company in the ministry of industry and trade for the companies controller on July 15, 2004 under no. (9017), the legal status of company has been transferred into public shareholding company and was registered under no. (417) on September 18, 2006.

The company's general assembly has approved at its unusual meeting on March 6, 2008 to reduce the subscribed and paid in capital from JD 20,000,000 to JD 6,000,000, in which the reduction amount is transferred to the account of "conditional deposits" for the benefit of the shareholders, based on the decision of the JSC Commissioners no. (2007/708) and (2008/27) which has been adopted on 12/13/2007 and 1/22/2008 respectively, so that act prohibit the disposition of the value of such deposits originally resulted from the evaluation of company's lands when the legal status of the company's has been transferred from (L.L.C) to (P.L.C), for the benefit of the shareholders as an increase in the capital when the related lands has been sold, and after the approval of the JSC.

Based on the unusual meeting of the general assembly that was held on April 21, 2011, it was decided to increase the company's declared and paid in capital by JD 3,300,000 through the distributing of the amount realized from sale of lands registered in the "conditional deposits" account by 55% as free shares for the shareholders of the company, and the JSC has approved on the increase on its letter no. 2/1/2003 on October 26, 2011, and as result the company's capital has become JD 9,300,000.

According to the unusual meeting of the general assembly that was held on March 22, 2014, it was decided to increase the company's declared and paid in capital by JD 2,281,342 through the distributing of the amount realized from sale of lands registered in the "conditional deposits" account by 24.5% as free shares for the shareholders of the company, the JSC has approved on registering the increasing shares to the capital in the amount of JD 1,944,646 in its meeting held on August 27, 2014, through capitalizing the amount of sold lands from the deposits account which ownership has been transferred and distributed as free shares to the shareholders of the company, each by their share in the capital, and postponement of the subscription of JD 336,696 for being deferred sales done by not fully collected checks, as a result the subscription will be effective when the payment is due and collected, the ministry of industry and trade has agreed on the increase of the declared capital by JD 2,281,342 and paid in capital by JD 1,944,646 in its letter no. M E /1/417/49221 dated at September 8, 2014, in which the legal procedures were completed for the control department at the ministry of industry and trade on September 8, 2014.

The company has decided at the unusual meeting of the general assembly that was held on May 15, 2017 the following:

- 1- The reduction of the declared capital from JD 11,581,341 to JD 11,244,646.
- 2- The reduction of the declared and paid in capital from JD 11,244,646 to JD 5,334,584 through the amortization of the accumulated losses amounting to JD 5,910,062 as of December 31, 2016.
- 3- Re-raise the declared capital to JD 13,000,000 through the subscription of the current shareholders by JD 7,665,416 and / or the entry of one or more strategic partner for the subscription of the increasing shares.

The Board of director has decided in the meeting held at March 20, 2017 to reverse its previous decisions of the extraordinary meeting mentioned above.

The principal activity of the Company is to build and sell housing projects, purchasing lands and real estate for purpose of trading them.

The Company's headquarter is in Amman.

**SHIRA REAL ESTATE DEVELOPMENT AND INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**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 financial statements**

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

**The Basics of preparation**

These financial 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 a summary 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.

**Revenues**

revenues is earned through the sale of villas and lands when the sale agreement is signed from the buyer.

**SHIRA REAL ESTATE DEVELOPMENT AND INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**Accounts Receivables**

Accounts receivable are stated at original amount less provision for any uncollectable amounts. An estimate for impairment of account receivable is made when there is a subjective evidence that the 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.

**Projects Under Constructions**

all the assets under construction that the entity is spending until they are ready to operate, and until the completion all the expenses are classified in the financial position as projects under construction, and when completed all the expenses are capitalized and transferred to the fixed assets.

**The warehouse**

Inventories in the warehouse are valued at cost or net realizable value, whichever is lower, and cost is determined on the basis of the weighted average method.

**Impairment in the Value of Financial Assets**

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 transferred assets, the Company in this case recognizes its share retained in the transferred assets and the related liabilities in the limits of the amounts expected to be paid. In the other case, when the Company retained substantially all risks and benefits of the ownership of the transferred assets, the Company will continue to recognize the financial assets.

**SHIRA REAL ESTATE DEVELOPMENT AND INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**Expenses**

Expenses are recognized in the statement of income in accordance with their nature, consisting mainly of salaries, wages, depreciation and rentals. Other expenses are classified and reported as other administrative and operating expenses.

**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 machinery (melting furnace) depreciation is calculated on production capacity basis.

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 its 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 of comprehensive 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.

**SHIRA REAL ESTATE DEVELOPMENT AND INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

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

Financial assets are classified as at fair value through statement of income when either the financial asset is 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 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.

**Financial assets specified 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 have a market price 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 do not have a market price 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.

**SHIRA REAL ESTATE DEVELOPMENT AND INVESTMENTS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**Lands investments**

Lands investments are stated at cost (In accordance with IAS 40) the standard has given the company the choice of recording its investments at cost or at fair value, on the condition that there is no impediment to determine reliably the exact value of the investments, and the management has chosen to record the investments at cost.

**Investment in affiliated company**

An affiliate is a company in which the "company" has a significant influence over it and it is not a subsidiary or a joint venture. The fundamental effect is the ability to contribute to the financial and operating decisions of the investee, not the joint control or control of these policies.

The result of the assets, liabilities of the affiliated companies or joint ventures is shown by using the equity method except when the investment is classified as held for sale, in this case it will be calculated in accordance with IFRS no. (5), non-current assets held for sale and discontinued operations. According to the equity method the investment in affiliated company or joint venture is initially recognized in the financial position at cost and adjusted subsequently to recognize the company's share of profit or loss and other comprehensive income for the affiliated company.

**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.

**SHIRA REAL ESTATE DEVELOPMENT AND INVESTMENTS COMPANY**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**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. VILLAS FOR SALE (COST OF SAELS)**

This item includes the value of the villas for sale at oak hills project, the details of this item is as follow:

	2017	2016
Beginnig balance	1,847,684	2,019,860
Cost of villas sold	(835,611)	(249,582)
Addition	-	77,406
	<u>1,012,073</u>	<u>1,847,684</u>

**SHIRA REAL ESTATE DEVELOPMENT AND INVESTMENTS COMPANY**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)**  
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**5. INVESTMENT IN AFFILIATED COMPANY**

During 2016, approximately 10% of Al-Deera for Investment and Real Estate Development shares were owned by the company and through 2017 the ownership has been increased to approximately 11%, due to the significant influence and management control over the investment and the existing of joint board members, in conclude the ownership of the company and the joint board members of Al-Deera for Investment and Real Estate Development represent approximately 50% of its shares, and according to the IAS no. (28) this investment considered investment in affiliated company, the details of this investment is as follow:

	2017	2016
Investment cost at the beginning	6,342,859	4,105,713
Additions	107,267	-
Investment cost	6,450,126	-
The increase in company's share of net owner equity of Al-Deera for Investment and Real Estate Development.	19,902	2,237,146
	6,470,028	6,342,859

**6. 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 ownersequity balances. The Company's strategy doesn't change from 2016.

Structuring of Company's capital includes debts that consists of loans as shown in (note 16, 17) and the owner's equity in the Company which includes share capital, statutory reserve, and retained earnings as it listed in the changes in owners equity statement.

**The 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's capital structure includes debts from the borrowing. The Company doesn't determine the highest limit of the debt ratio and it doesn't expect increase in the debt ratio.

**The management of the financial risks**

The Company's activities might be exposed mainly to the followed 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.



**SHIRA REAL ESTATE DEVELOPMENT AND INVESTMENTS COMPANY**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)**  
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**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.

**7.APPROVAL OF INTERIM FINANCIAL STATEMENTS**

The financial statements were approved by the Board of Directors and authorized for issuance on April 27, 2017.

**8.COMPARATIVE FIGURES**

Certain figures for 2016 have been reclassified to conform the presentation in the current year.